

Letter of Invitation

[RFP No. _____]

[Insert: Location and Date]

[Insert: Name and address of Consultant. In case of a Joint Venture (JV), the full name of the JV and the names of each member as in the submitted Expression of Interest shall be indicated]

Dear Mr. /Ms.:

1. The Council for Development and Reconstruction in Lebanon (hereinafter called “**Client**”) has received a financing from the Agence Française de Développement (the “**AFD**”) toward the cost of CHUD “Cultural Heritage and Urban Development”.
2. The Client now invites proposals to provide the following consulting services (hereinafter called “**Services**”): CHUD Financial and Internal Control System Audit. More details on the Services are provided in the Terms of Reference (Section VII).
3. This Request for Proposals (RFP) has been addressed to the following short listed Consultants:
 - Kudos Middle East,
 - UTC International,
 - Majzoub & Partners.

It is not permissible to transfer this invitation to any other firm.

4. The RFP includes the following documents:
 - Section I - Instructions to Consultants (ITC);
 - Section II - Data Sheet;
 - Section III - Technical Proposal - Standard Forms;
 - Section IV - Financial Proposal - Standard Forms;
 - Section V - Eligibility criteria;
 - Section VI - AFD's Policy – Corrupt and fraudulent practices - Social and Environmental Responsibility;
 - Section VII - Terms of Reference (TORs);
 - Section VIII - Standard Forms of Contract.
5. Please inform us by [insert date], in writing at [insert address], or by E-mail [insert e-mail address]:
 - (a) That you have received the Letter of Invitation; and
 - (b) Whether you intend to submit a Proposal alone or intend to enhance your experience by requesting permission to associate with other firm(s) (if permissible under Section II, Data Sheet 14.1.1).
6. Details on the proposal's submission date, time and address are provided in Sub-clause 17.9 of the ITC.

YOURS SINCERELY,

[Insert: Signature, name, and title of Client's authorized representative]

SELECTION OF CONSULTANTS

REQUEST FOR PROPOSALS

RFP No.: CHUD II AFD CLB 1039 01 J

Selection of Consulting Services for:

**Financial, Internal Control System and technical Audit of:
Cultural Heritage and Urban Development II Project
CHUD II Project**

Client: Council for Development and Reconstruction

Country: Lebanon

Project: Cultural Heritage and Urban Development (CHUD II)

Issued on: *[insert date when sent to shortlisted firms]*

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PART I – SELECTION PROCEDURES AND REQUIREMENTS

Section I. Instructions to Consultants

A. GENERAL PROVISIONS

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 the Client's country, or in such other country as may be specified in the **Data Sheet**, 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 implementing agency 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 General Conditions of Contract (GCC), the Special Conditions of Contract (SCC), and the Appendices).
- 1.7 "**Data Sheet**" means an integral part of the Instructions to Consultants (ITC) Section II that is used to reflect specific country and assignment conditions to supplement, but not to over-write, the provisions of the ITC.
- 1.8 "**Day**" means a calendar day.
- 1.9 "**Experts**" means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, Subconsultant or Joint Venture member(s).
- 1.10 "**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.
- 1.11 "**Key Expert(s)**" means an individual professional provided by the Consultant or its Subconsultant, whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose CV is taken into account in the technical evaluation of the Consultant's Proposal.

- 1.12 "**ITC**" (this Section I of the RFP) means the Instructions to Consultants that provide the shortlisted Consultants with all information they need to prepare their Proposals.
 - 1.13 "**LOI**" means the Letter of Invitation being sent by the Client to the shortlisted Consultants.
 - 1.14 "**Non-Key Expert(s)**" means an individual professional provided by the Consultant or its Subconsultant and who is assigned to perform the Services or any part thereof under the Contract and whose CVs are not evaluated individually.
 - 1.15 "**Proposal**" means the technical Proposal and the financial Proposal of the Consultant.
 - 1.16 "**RFP**" means the Request for Proposals to be prepared by the Client for the selection of Consultants.
 - 1.17 "**Services**" means the consulting services work to be performed by the Consultant pursuant to the Contract.
 - 1.18 "**Subconsultant**" means an entity to whom the Consultant intends to subcontract any part of the Services while remaining responsible to the Client during the performance of the Contract.
 - 1.19 "**TORs**" (this Section VII of the 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 named in the **Data Sheet** intends to select a Consultant from those listed in the Letter of Invitation, in accordance with the method of selection specified in the **Data Sheet**.
 - 2.2 The shortlisted Consultants are invited to submit a technical Proposal and a financial Proposal for the Services named in the **Data Sheet**. The Proposal will be the basis for negotiating and ultimately signing the Contract with the selected Consultant.
 - 2.3 The Consultants should take into account the Applicable law in preparing their Proposals. They may attend a pre-Proposal conference if one is specified in the **Data Sheet**. Attending any such pre-Proposal conference is optional and is at the Consultants' expense.
 - 2.4 The Client will timely provide, at no cost to the Consultants, the inputs, relevant project data, and reports required for the preparation of the Consultant's Proposal as specified in the **Data Sheet**.
- 3 Conflict of interest**
- 3.1 The Consultant is required to provide professional, objective, and impartial advice, at all times holding the Client's interests paramount, 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, and unless stated otherwise in the Data Sheet, 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 and Subconsultants) 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 and Subconsultants) 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 AFD

throughout the selection process and the execution of the Contract.

- 4 Unfair competitive advantage**
- 4.1 Fairness and transparency in the selection process require that the Consultants or their Affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Client shall indicate in the **Data Sheet** and make available to all shortlisted Consultants together with this RFP all information that would in that respect give such Consultant any unfair competitive advantage over other competing Consultants.
- 5 Corrupt and fraudulent practices**
- 5.1 AFD requires compliance with its policy in regard to corrupt and fraudulent practices as set forth in Section VI.
- 5.2 In further pursuance of this policy, Consultant shall permit and shall cause its Experts, Subconsultants, subcontractors, or suppliers to permit AFD to inspect all accounts, records, and other documents relating to the submission of the Proposal and Contract performance (in case of an award), and to have them audited by auditors appointed by AFD.
- 6 Eligibility**
- 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 V.
- 6.2 Furthermore, it is the Consultant's responsibility to ensure that its Experts, Joint Venture members, Subconsultants, agents (declared or not), subcontractors, service providers, suppliers and/or their employees meet the eligibility requirements as established by AFD in the Section V.
- 6.3 Government officials and civil servants of the Client's country 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.

B. Preparation of Proposals

- 7 General considerations**
- 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.
- 8 Cost of preparation of Proposal**
- 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.

- 9 Language**
- 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 the language(s) specified in the **Data Sheet**.
- 10 Documents comprising the Proposal**
- 10.1 The Proposal shall comprise the documents and forms listed in the **Data Sheet**.
- 10.2 The Consultant shall furnish information on commissions, gratuities, and fees, if any, paid or to be paid to agents or any other party relating to this Proposal and, if awarded, Contract execution.
- 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. This does not, however, unless otherwise stated in the **Data Sheet**, preclude a Subconsultant, or the Consultant's staff from participating as Key Experts and Non-Key Experts in more than one Proposal.
- 12 Proposal validity**
- 12.1 The **Data Sheet** indicates the period during which the Consultant's Proposal must remain valid after the Proposal submission deadline.
- 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.

12.5 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.

12.6 Subcontracting

12.6.1 The Consultant shall not subcontract the whole of the Services.

13 Clarification and amendment of RFP

13.1 The Consultant may request a clarification of any part of the RFP during the period indicated in the **Data Sheet** before the Proposals' submission deadline. Any request for clarification must be sent in writing, or by standard electronic means, to the Client's address indicated in the **Data Sheet**. The Client will respond in writing, or by standard electronic means, and will send written copies of the response (including an explanation of the query but without identifying its source) to all shortlisted Consultants. Should the Client deem it necessary to amend the RFP as a result of a clarification, it shall do so following the procedure described below:

13.1.1 At any time before the Proposal submission deadline, the Client may amend the RFP by issuing an amendment in writing or by standard electronic means. The amendment shall be sent to all shortlisted Consultants and will be binding on them. The shortlisted Consultants shall acknowledge receipt of all amendments in writing.

13.1.2 If the amendment is substantial, the Client shall extend the Proposal submission deadline to give the shortlisted 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.
- 14 Preparation of Proposals – Specific consideration**
- 14.1 While preparing the Proposal, the Consultant must give particular attention to the following:
- 14.1.1 If a shortlisted Consultant considers that it may enhance its expertise for the Services by associating with other consultants in the form of a Joint Venture, it may do so with either (i) non-shortlisted Consultant(s), or (ii) shortlisted Consultants if permitted in the **Data Sheet**. Association with a non-shortlisted Consultant shall be subject to approval of the Client. When associating with non-shortlisted firms in the form of a Joint Venture, the shortlisted Consultant shall be a lead member. If shortlisted Consultants associate with each other, any of them can be a lead member.
- 14.1.2 The Client may indicate in the **Data Sheet** the estimated Key Experts’ time input (expressed in person-month) or the Client’s estimated total cost of the Services, but not both. This estimate is indicative and the Proposal shall be based on the Consultant’s own estimates for the same.
- 14.1.3 If stated in the **Data Sheet**, the Consultant shall include in its Proposal at least the same time input (in the same unit as indicated in the **Data Sheet**) of Key Experts, failing which the financial Proposal will be rejected.
- 14.1.4 For assignments under the Fixed-Budget selection method, the estimated Key Experts’ time input is not disclosed. Total available budget, with an indication whether it is inclusive or exclusive of taxes, is given in the **Data Sheet**, and the financial Proposal shall not exceed this budget.
- 15 Technical Proposal format and content**
- 15.1 The technical Proposal shall not include any financial information. A technical Proposal containing material financial information shall be declared non-responsive.
- 15.1.1 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.
- 15.1.2 Variations are not allowed.
- 15.2 The technical Proposal shall be prepared using the standard forms provided in Section III of the RFP.

16 Financial Proposal

16.1 The financial Proposal shall be prepared using the standard forms provided in Section IV of the RFP. It shall list all costs associated with the Services, including (a) remuneration of Key Experts and Non-Key Experts, (b) other expenses indicated in the **Data Sheet**.

16.2 Price adjustment

For assignments with a duration exceeding 18 months, a price adjustment provision of remuneration rates applies if so stated in the **Data Sheet**.

16.3 Taxes

The financial Proposal should clearly estimate, as a separate amount, the taxes, duties, fees, levies and other charges imposed in the Client's country under the Applicable law, on the Consultants, the Subconsultants, and their Experts (other than nationals or permanent residents of the Client's country), as stated in the **Data Sheet**. The Consultant and its Subconsultants and Experts are responsible for meeting all tax liabilities arising out of the Contract unless stated otherwise in the **Data Sheet**. Information on taxes in the Client's country is provided in the **Data Sheet**.

16.4 Currency of Proposal

The Consultant may express the price for its Services in the currency or currencies as stated in the **Data Sheet**. If indicated in the **Data Sheet**, the portion of the price representing local cost shall be stated in the local currency.

16.5 Currency of payment

Payment under the Contract shall be made in the currency or currencies in which the payment is requested in the Proposal.

C. Submission, Opening and Evaluation

17 Submission, sealing and marketing of Proposals

17.1 The Consultant shall submit a signed and complete Proposal comprising the documents and forms in accordance with Clause 10 (Documents comprising Proposal). The submission can be done by mail or by hand. If authorized in the **Data Sheet**, the Consultant may choose to submit its Proposals electronically.

17.2 An authorized 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 authorization shall be in the form of a written power of attorney attached to the technical Proposal.

17.2.1 A Proposal submitted by a Joint Venture shall be signed by all members so as to be legally binding on all

members, or by an authorized representative who has a written power of attorney signed by each member's authorized representative.

- 17.3 Any modifications, revisions, interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Proposal.
- 17.4 The signed technical and financial Proposals shall be marked "**ORIGINAL**", and its copies marked "**COPY**" as appropriate. The number of copies is indicated in the **Data Sheet**. All copies shall be made from the signed original. If there are discrepancies between the original and the copies, the original shall prevail.
- 17.5 The original and all the copies of the technical Proposal shall be placed inside of a sealed envelope clearly marked "**TECHNICAL PROPOSAL, [Name of the Services]**", reference number, name and address of the Consultant, and with a warning "**DO NOT OPEN UNTIL TECHNICAL PROPOSAL OPENING**".
- 17.6 Similarly, the original financial Proposal shall be placed inside of a sealed envelope clearly marked "**FINANCIAL PROPOSAL, [name of the Services]**", reference number, name and address of the Consultant, and with a warning "**DO NOT OPEN WITH THE TECHNICAL PROPOSAL**".
- 17.7 The sealed envelopes containing the technical and financial Proposals shall be placed into one outer envelope and sealed. This outer envelope shall bear the submission address, RFP reference number, the name of the Services, Consultant's name and the address, and shall be clearly marked "**DO NOT OPEN BEFORE TECHNICAL PROPOSAL OPENING**".
- 17.8 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.
- 17.9 The Proposal or its modifications must be sent to the address indicated in the **Data Sheet** and received by the Client no later than the deadline indicated in the **Data Sheet**, or any extension to this deadline. Any Proposal or its modification received by the Client after the deadline shall be declared late and rejected, and promptly returned unopened.

18 Confidentiality

- 18.1 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.

- 18.2 Any attempt by shortlisted 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.
- 18.3 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.
- 19 Opening of technical Proposals**
- 19.1 The Client's evaluation committee shall conduct the opening of the technical Proposals in the presence of the shortlisted Consultants' authorized representatives who choose to attend (in person, or online if this option is offered in the **Data Sheet**). The opening date, time and address are stated in the **Data Sheet**. The envelopes with the financial Proposal shall remain sealed and shall be securely stored with a reputable public auditor or independent authority until they are opened in accordance with Clause 23 of the ITC.
- 19.2 At the opening of the 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 duly sealed envelope with the financial Proposal; (iii) any modifications to the Proposal submitted prior to Proposal submission deadline; and (iv) any other information deemed appropriate or as indicated in the **Data Sheet**.
- 20 Proposals evaluation**
- 20.1 Subject to provision of Sub-Clause 15.1 of the ITC, the evaluators of the technical Proposals shall have no access to the financial Proposals until the technical evaluation is concluded.
- 20.2 The Consultant is not permitted to alter or modify its Proposal in any way after the Proposal submission deadline except as permitted under Sub-Clause 12.7 of this ITC. While evaluating the Proposals, the Client will conduct the evaluation solely on the basis of the submitted technical and financial Proposals.
- 21 Evaluation of technical Proposals**
- 21.1 The Client's evaluation committee shall evaluate the technical Proposals on the basis of their responsiveness to the Terms of Reference and the RFP, applying the evaluation criteria, sub-criteria, and point system specified in the **Data Sheet**. Each responsive Proposal will be given a technical score. A Proposal shall be rejected at this stage if it does not respond to important aspects of the RFP or if it fails to achieve the minimum technical score indicated in the **Data Sheet**.

- 22 **Financial Proposals for QBS**
- 22.1 Following the ranking of the technical Proposals, when the selection is based on quality only (QBS), the top-ranked Consultant is invited to negotiate the Contract. Only the financial Proposal of the technically top-ranked Consultant is opened by the Client's evaluation committee. All other financial Proposals are returned unopened after the Contract negotiations are successfully concluded and the Contract is signed.
- 23 **Public opening of financial Proposals (for Quality and Cost Based Selection (QCBS), Fixed Budget Selection (FBS), and Least-Cost Selection (LCS) methods)**
- 23.1 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, or online if such option is indicated in the **Data Sheet**) is optional and is at the Consultant's choice.
- 23.2 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.
- 24 **Correction of errors**
- 24.1 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.
- 24.2 Time-based Contracts
- In the case of a time-based Contract, the Client's evaluation committee will (a) correct any computational or arithmetical errors, and (b) adjust the prices if they fail to reflect all inputs included for the respective activities or items in the technical Proposal. In case of discrepancy between (i) a partial amount (sub-total) and the total amount, or (ii) between the amount derived by multiplication of unit price with quantity and the total price, or (iii) between words and figures, the former will prevail. In case of discrepancy between the technical and financial Proposals in indicating quantities of input, the technical Proposal prevails and the Client's evaluation committee shall correct the quantification indicated in the

financial Proposal so as to make it consistent with the one indicated in the technical Proposal, apply the relevant unit price included in the financial Proposal to the corrected quantity, and correct the total Proposal cost.

24.3 Lump-sum Contracts

In the case of a lump-sum Contract, 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 25 below, specified in the financial Proposal (form FIN-1) shall be considered as the offered price.

- | | | | |
|----|--|------|--|
| 25 | Taxes | 25.1 | The Client’s evaluation of the Consultant’s financial Proposal shall exclude taxes and duties in the Client’s country in accordance with the instructions in the Data Sheet . |
| 26 | Conversion to single currency | 26.1 | For the evaluation purposes, prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet . |
| 27 | Combined quality and cost evaluation (for QCBS, FBS, and LCS methods) | 27.1 | In the case of quality and cost based selection (QCBS), the total score is calculated by weighting the technical and financial scores and adding them as per the formula and instructions in the Data Sheet . The Consultant achieving the highest combined technical and financial score will be invited for negotiations. |
| | | 27.2 | In the case of fixed budget selection (FBS), those Proposals that exceed the budget indicated in Sub-Clause 14.1.4 of the Data Sheet shall be rejected. The Client will select the Consultant that submitted the highest-ranked technical Proposal, and invite such Consultant to negotiate the Contract. |
| | | 27.3 | In the case of least-cost selection (LCS), the Client will select the Consultant with the lowest evaluated total price among those consultants that achieved the minimum technical score, and invite such Consultant to negotiate the Contract. |
| 28 | Abnormally low financial Proposal | 28.1 | If the financial Proposal is twenty per cent (20%) or more, lower than the Client’s estimate, and unless the Client provides justification that the estimate is inaccurate, the Client shall require the Consultants to produce detailed price analyses for any or all items of the financial Proposal, to demonstrate the internal consistency of those prices and priced quantities with the methodology, resources and schedule proposed, as well as the Terms of Reference (TORs). Notwithstanding provisions of Sub-Clause ITC 24.1 which shall not apply, if inconsistencies are evidenced, the financial Proposal shall be declared non-compliant and rejected. |

D. Negotiations and Award

29 Negotiations

- 29.1 The negotiations will be held at the date and address indicated in the **Data Sheet** with the Consultant's representative(s) who must have written power of attorney to negotiate and sign a Contract on behalf of the Consultant.
- 29.2 The Client shall prepare minutes of negotiations that are signed by the Client and the Consultant's authorized representative.
- 29.3 Availability of Key Experts
- 29.3.1 The invited Consultant shall confirm the availability of all Key Experts included in the Proposal as a prerequisite to the negotiations, or, if applicable, a replacement in accordance with Clause 12 of the ITC. 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.
- 29.3.2 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 of time specified in the letter of invitation to negotiate the Contract, who shall have equivalent or better qualifications and experience than the original Key Expert.
- 29.4 Technical negotiations
- 29.4.1 The negotiations include discussions about the Terms of Reference (TORs), the proposed methodology, the Client's inputs, the special conditions of the Contract, and finalizing the "Description of Services" part of the Contract. These discussions shall not substantially alter the original scope of services under the TORs or the terms of the Contract and shall not modify the ranking of the Proposals.
- 29.5 Financial negotiations
- 29.5.1 The negotiations include the clarification of the Consultant's tax liability in the Client's country and how it should be reflected in the Contract.
- 29.5.2 If the selection method included cost as a factor in the evaluation, the total price stated in the financial Proposal for a lump-sum Contract shall not be negotiated.
- 29.5.3 In the case of a time-based Contract, unit rates negotiations shall not take place, except when the offered Key Experts and Non-Key Experts'

remuneration rates are much higher than the typically charged rates by Consultants in similar contracts. In such case, the Client may ask for clarifications and, if the fees are very high, ask to change the rates.

30 Conclusion of negotiations

- 30.1 The negotiations are concluded with a review of the finalized draft Contract, which then shall be initialed by the Client and the Consultant's authorized representative.
- 30.2 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.
- 30.3 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.

31 Award of Contract

- 31.1 After completing the negotiations the Client shall sign the Contract; if applicable, publish the award information; and promptly notify the other shortlisted Consultants.
- 31.2 The Consultant is expected to commence the Services on the date and at the location specified in the **Data Sheet**.

Section II. Data Sheet

A. General	
ITC 1.2	Applicable law: The Lebanese laws
ITC 1.18	Subconsultant is not permissible for this assignment
ITC 2.1	<p>Name of the Client: Council for Development and Reconstruction in Lebanon</p> <p>Method of selection: Selection Based on consideration of quality and cost (QCBS)</p> <p>Type of Contract: Lump-sum Contract</p>
ITC 2.2	The name of the Services is: Audit of the Financial Statements and the Internal Control System of CHUD II Project “Cultural Heritage and Urban Development”
ITC 2.3	<p>A pre-Proposal conference will be held:</p> <p>Yes <input type="checkbox"/> or No <input checked="" type="checkbox"/></p>
ITC 2.4	The Client will provide the following inputs, project data, reports, etc. to facilitate the preparation of the Proposals: N/A
ITC 4.1	The Client does not envisage the need for continuity of downstream work. All available information, documents..., related to the requested assignment and that would give a competitive advantage to any consultant are available to all the short-listed consultants at CDR Tender department for information.
ITC 6.4	The consultant are considered acquainted with and aware of the law of force in the Republic of Lebanon.
B. Preparation of Proposals	
ITC 9.1	<p>Proposals shall be submitted in French or in English language.</p> <p>Supporting documents and printed literature furnished by the tenderer may be in another language, provided they are accompanied by a certified translation into the language of the procedure</p> <p>All correspondence exchanges and documents shall be in French or English language.</p>
ITC 10.1	<p>The Proposal shall comprise the following:</p> <p><u>1st Inner Envelope with the technical Proposal:</u></p> <ol style="list-style-type: none"> (1) Technical Proposal submission form (TECH-1) (2) Contractual Commitment completed, stamped and signed; (3) A written power of attorney authorizing the signatory of the bid to commit the bid certified by a notary Statement of Integrity (signed) (4) Description of methodology, work plan and team composition (TECH-2, TECH-3, TECH-4 and TECH-5 are provided as indicative format) (5) Security methodology that meets the requirements of the terms of reference - <i>security</i> (only in the case of Services in areas labelled

	<p>as orange or red by the French Ministry of Europe and Foreign Affairs¹)</p> <p>(6) Certificate of Registration of the Company issued by the Ministry of Finance</p> <p>(7) Certificate of Registration of the bidder issued by the directorate of added tax, in case the bidder is registered, or a certification of non-registration in case the bidder is not registered. In this case the bidder is committed to its price, even if he became registered during the execution of the contract</p> <p>(8) This RFP and copies of any addenda (If any) duly signed and stamped</p> <p>(9) Signed and stamped declaration in which, as stipulated in article (5) of the bank secrecy law dated 3/9/1956, and as stipulated in the resolution of the council of ministries N'4 dated 28/4/2020, the bidder agrees to lift banking secrecy over the bank account used to deposit or transfer public funds related to this contract</p> <p>(10) Certificate of quittance issued by the National Social Security Fund. Its validity extending beyond the bid opening date. The bidder must be registered with the NSSF, and any statement that include an unregistered institution will be rejected;</p> <p>(11) If submitted by a joint venture, the bid shall comprise a letter of intent or a joint venture agreement duly signed by the legal representative of each member</p> <p>(12) Legal certified copies of original documents defining the constitution or legal status, proof of registration, e.g.: LACPA registration, Lebanese Civil Court partnership registration... and principal plan of business, the founders, members, shareholders, authorized signatories, capital, the director and ongoing contracts, and the owners of the economic right أصحاب الحق الاقتصادي</p> <p>(13) Official Information regarding any current litigation in which the bidder is involved</p> <p>Note that all requested certificates above should be <u>originals</u> or <u>legally certified copies of the originals</u> by official authorities and dated maximum 6 months before the original bid submission deadline.</p> <p>AND <u>2nd Inner Envelope with the financial Proposal:</u></p> <p>(1) Financial Proposal submission form (FIN-1)</p> <p>(2) Summary of costs (FIN-2)</p> <p>(3) Breakdown of prices (FIN-3 and FIN-4 are provided as indicative format in case of lump-sum Contract)</p>
ITC 11.1	Participation of Subconsultants, Key Experts and Non-Key Experts in more than one Proposal is permissible.
ITC 12.1	Proposals must remain valid for 90 calendar days after the Proposal submission deadline.

² 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.

ITC 13.1	<p>Clarifications may be requested no later than 10 days prior to the submission deadline.</p> <p>The client's responses will be forwarded to all bidders including a description of the inquiry without identifying its source to all clarification request no later than 6 days before the last day for bid submission.</p> <p>The contact information for requesting clarifications is:</p> <p>The Council for Development and Reconstruction Legal affair: Tenders Department City: Tallet Al Serail - Beirut Country: Lebanon</p> <p>Facsimile number: 961-1-981255</p> <p>Electronic mail address: NOT APPLICABLE</p> <p>Please note that all correspondence with the Client (CDR) during the tendering period should be made through the CDR Tenders Department (only fax #961-1-981255), otherwise it would not be considered.</p>
ITC 14.1.1	Shortlisted Consultants may not associate with other shortlisted and non-shortlisted Consultants.
ITC 14.1.2	N/A
ITC 14.1.3	N/A
ITC 14.1.4 & 27.2	N/A
ITC 16.1	The Consultant shall detail the Other Expenses of his Proposal in compliance with items listed in form FIN-4.
ITC 16.2	A price adjustment provision applies to remuneration rates: Yes <input type="checkbox"/> or No <input checked="" type="checkbox"/>
ITC 16.3 Only Taxes	<ol style="list-style-type: none"> 1. Taxation outside the Client's country: The Consultant's financial Proposal shall include all taxes, duties and fees imposed outside the Client's country 2. Taxation in the Client's country: <ol style="list-style-type: none"> 2.1 The Consultant's financial Proposal shall clearly identify the taxes, duties, and fees described in Sub-Clauses 43.1 and 43.2 of the Special Conditions of Contract, and shall present them separately in the price schedules, for each applicable currency referenced in Sub-Clause 16.4 of the ITC. 2.2 The following taxes and duties are imposed on consulting firms working in Lebanon: <ol style="list-style-type: none"> 1- An income tax of 7,5% subject to the following exemptions: <ol style="list-style-type: none"> a- For foreign consultants an income tax of 7.5% shall be deducted from each certificate and paid by the client on behalf of the consultant,

	<p>except those registered in countries having agreements with the republic of Lebanon prohibiting double taxation.</p> <p>b- For local consultants no deduction (i.e. no payment on their behalf) shall be made. Local consultants are required to submit a proper clearance statement from the ministry of finance.</p> <p>2- A value added tax (VAT) of 11% applicable to locally funded part of the consultant's fees.</p> <p>3- Stamp duties of 0.8% as follows: 0.4% of contract price upon signature of contract payable by the Consultant to the ministry of Finance within a period of 5 working days from Notification of the contract. 0.4% deducted from each payment paid by the client directly to the ministry of finance on behalf of the Consultant.</p> <p>4- An exemption from Value Added Taxes (VAT) could be obtained for the Contract after applying for the "VAT exemption seal" in the Ministry of Finance.</p>
	<p>2.3 The Consultant's financial Proposal is deemed to include all other taxes, duties and fees.</p>
ITC 16.4	<p>The financial Proposal shall be stated in the following currencies: Euro €</p> <p>The financial Proposal should state local costs in the Client's country currency (local currency): Yes <input type="checkbox"/> or No <input checked="" type="checkbox"/></p>
ITC 16.5	<p>The currency of payment is the currency of the signed contract , in EURO €</p>
C. Submission, Opening and Evaluation	
ITC 17.1	<p>The Consultants <u>shall not have</u> the option of submitting their Proposals electronically.</p>
ITC 17.2	<p>Power of attorney shall be signed by the legally authorized representative/ owner acting on behalf of the bidder</p>
ITC 17.4	<p>The Consultant must submit:</p> <p>a) Technical Proposal: one (1) original and one (1) paper copy;</p> <p>b) Financial Proposal: one (1) original and one (1) paper copy.</p> <p>The outer envelope shall not bear the name and address of the Bidder; but only the name of the assignment and shall be clearly marked " Do</p>

	not open before tender opening session and/or “ لا يفتح قبل جلسة فض ” العروض”;
ITC 17.5	Name of the service is : “CHUD II” Financial and Internal Control System Audit
ITC 17.9	The Proposals must be submitted no later than: Date: As specified in the letter of invitation LOI unless extended pursuant to ITC 13.1.2 Time: As specified in the letter of invitation LOI unless extended pursuant to ITC 13.1.2 The Proposal submission address is: The Council for Development and Reconstruction - Tallet Al Serail - Beirut Lebanon - Tenders Department
ITC 19.1	An online option of the opening of the Technical Proposals is not offered. The opening shall take place at: Same as the Proposal submission address Date: Same as the submission deadline indicated in 17.9. Time: Same as the submission deadline indicated in 17.9. The opening shall take place at: Same as the Proposal submission address Date: Same as the submission deadline indicated in 17.9. Time: Same as the submission deadline indicated in 17.9.
ITC 19.2	In addition, the following information will be read aloud at the opening of the Technical Proposals :(iv) presence or absence of the requested documents to be submitted/

ITC 21.1	<u>Criteria, sub-criteria, and point system for the evaluation of the technical Proposals:</u>	
	Criteria	Points
	1. Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs)	[20]
	2. Key Experts' qualifications and competence for the Services: <ul style="list-style-type: none"> • Position K-1: Team Leader: Financial Audit Expert (Certified Public Account) with experience over 15 years [20 points] • Position K-2: [Certified Accountant with experience over 5 years] [10 points] • Position K-3: [Architect/Engineer with experience over 8 years in Cultural Heritage and Urban Development [10 points] • Position K-4: [Expert in contract/ legal or management with experience over 8years] [10 points] <p>The number of points to be assigned to each of the above positions shall be determined considering the following two sub-criteria and relevant percentage weights:</p> <p>1- General qualifications (general education, training, and years of experience): _____50 %</p> <p>2- Adequacy for the Services (Experience in the sector/similar services) : _____50%</p>	[50]
	3. Specific experience of the firms related to the assignment: <i>experience with external donors</i>	[15]
	4. Specific experience of the firms related to the assignment: <i>experience with similar assignment</i>	[15]
	TOTAL	100
	<u>Evaluation of criterion N°1:</u>	
<p>The number of points to be assigned for this criterion shall be determined considering the following five sub-criteria and relevant percentage weights:</p> <p>(i) The methodology is clear and complete: all services, organization described, resources mobilized, list of activities, risks and assumptions [20 %]</p>		

	<p>(ii) The methodology is relevant: it brings an added value to the TORs and contains innovations [20 %]</p> <p>(iii) The work plan is detailed, realistic and in line with the TORs and proposed methodology [30 %]</p> <p>(iv) The number of experts and the expected number of working days for each expert are adequate to satisfactorily perform each activity. [30 %]</p> <p style="text-align: right;">TOTAL 100%</p> <p><u>Evaluation of criterion N°2:</u></p> <p>The number of points to be assigned to each Key Expert mentioned above shall be determined considering the following four sub-criteria and relevant percentage weights:</p> <p>(i) General qualifications (general education, training, and experience) 20 %</p> <p>(ii) Adequacy for the Services (relevant education, training, experience in the sector/similar services) 60 %</p> <p>(iii) Relevant experience in the region (working level fluency in local language(s)/knowledge of local culture or administrative system, government organization, etc.) 5 %</p> <p>(iv) Number of years of experience of the Expert with the Consultant 15 %</p> <p style="text-align: right;">Total Weight 100%</p> <p>The minimum technical score (St) required to pass is: 80</p> <p>The evaluation of the security methodology, as described in Article ITC 10.1 of the Data Sheet, will not give rise to allocation of points (scoring). It will consist in determining that each condition of admissibility specified in the terms of reference - security is met. Otherwise, the Proposal will be rejected.</p>
ITC 23.1	An online option of the opening of the financial Proposals is not offered.
ITC 25.1	The evaluation will be carried out on the basis of the Consultant's financial Proposal excluding all taxes, duties and fees identified in Sub-Clauses 43.1 and 43.2 of the Special Conditions of Contract. During negotiations of the Contract, the calculation of applicable taxes, duties and fees will be examined and agreed upon.

	Applicable taxes, duties and fees shall be added, if needed, to the Contract Price on a separate line with a reference to the Sub-Clauses 43.1 and 43.2 of the Special Conditions of Contract for payment modalities.
ITC 26.1	The Financial Proposal shall be stated in EURO
ITC 27.1	<p>The lowest evaluated financial Proposal (Fm) is given the maximum financial score (Sf) of 100.</p> <p>The formula for determining the financial scores (Sf) of all other Proposals is calculated as following: $Sf = 100 \times Fm/F$, in which "Sf" is the financial score, "Fm" is the lowest price, and "F" the price of the Proposal under consideration.</p> <p>The weights given to the technical (T) and financial (F) Proposals are: $T = 70$ and $F = 30$ Proposals are ranked according to their combined technical (St) and financial (Sf) scores using the weights (T the weight given to the technical Proposal; F = the weight given to the financial Proposal; $T + F = 1$) as following: $S = St \times T\% + Sf \times F\%$.</p>
D. Negotiations and Award	
ITC 29.1	<p>Expected date and address for Contract negotiations: Date: End of February, 2026</p> <p>Address: The Council for Development and Reconstruction Tallet Al Serail - Beirut Lebanon</p>
ITC 31.2	<p>Expected date for the commencement of the Services: Date: March 15th, 2026</p> <p>at: The Council for Development and Reconstruction - Tallet Al Serail - Beirut Lebanon</p>
ITC 32 Notification of Award	<p>32.1 Prior to the expiration of the period of bid validity, the Client shall notify the successful Bidder, in writing, that its Bid has been accepted and confirming the Client's intention to award him the Contract. The notification letter (hereinafter and in the Conditions of Contract and Contract Forms called the "Letter of Acceptance") shall specify the sum that the Purchaser will pay the Supplier in consideration of the supply of Goods (hereinafter and in the Conditions of Contract and Contract Forms called "the Contract Price").</p> <p>32.2 The Client shall promptly respond in writing to any unsuccessful Bidder who, after notification of award in accordance with ITC 32.1, requests in writing the grounds on which its bid was not selected or any other information related to the names and evaluated prices of other bidders.</p> <p>32.3 The Client shall publish the Notification of Intention to Award the Contract to the successful Supplier on the CDR's web page www.cdr.gov.lb. Notification of Intention to Award shall contain, at a minimum, the following information:</p> <p style="padding-left: 40px;">(a) the name and address of the Consultant who presented the best proposal;</p>

	<p>(b) the bid price of the successful Proposal;</p> <p>(c) the expiry date of the Standstill Period;</p> <p>(d) and instructions on how to request a debriefing and/or submit a complaint during the Standstill Period.</p>
ITC 33 Bid Security	<p>33.1. The Bidder shall furnish as part of its bid, a bid security, in the amount of 3000 USD. The bid security shall be issued by a Lebanese bank or a foreign bank through its correspondent in Lebanon in the form and wording of the bid security form included in this document.</p> <p>33.2. Any bid not accompanied by a substantially responsive Bid Security shall be rejected by the Client as non-responsive.</p> <p>33.3. If a Bid Security is specified pursuant to ITB 32.1, the Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder's and the purchaser have signed the contract signing the contract</p> <p>33.4. The Bid Security of the successful Bidder shall be returned as promptly as the successful Bidder has signed the contract and furnished the required performance security.</p> <p>33.5. The Bid Security may be forfeited:</p> <ul style="list-style-type: none"> - If after the last day for bid submission, a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Letter of Bid, or any extension thereto provided by the Bidder; or - if the successful Bidder fails to: <ul style="list-style-type: none"> - sign the Contract in accordance with ITB40; or - furnish a performance security in accordance with ITB 41. <p>The bid security of a JV must be in the name of the JV that submits the bid. 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 the letter of intent referred</p>

Section III. Technical Proposal Standard Forms

Form TECH-1 (format not be altered)
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.

[OR

If the Consultant's Proposal includes Subconsultants, insert the following:]

We are submitting our Proposal with the following firms as Subconsultants: *[Insert a list with full name and address of each Subconsultant]*.

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 period of time specified in, Sub-Clause 12.1 of the Data Sheet;
- c) We have no conflict of interest in accordance with Clause 3 of the ITC;
- d) Except as stated in the Data Sheet, Sub-Clause 12.1, we undertake to negotiate a Contract on the basis of the proposed Key Experts. We accept that the substitution of Key Experts for reasons other than those stated in Sub-Clauses 12.5 and 29.3 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 31.2 of the Data Sheet.

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,

Authorized 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, Social and Environmental Responsibility

Reference name of the bid or 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 this 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 this 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 this Contract);

2.7) Having created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of this 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:

i. 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 this Contract;

ii. Having been recruited (or being proposed to be recruited) ourselves or any of our affiliates, to carry out works supervision or inspection for this 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 indented 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 sub-consultants 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 sub-consultants 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 sub-consultants 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 auditors appointed by AFD.

Name: _____ In the capacity of: _____

Duly empowered to sign in the name and on behalf of²: _____

Signature: _____ Dated: _____

² 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.

APPENDIX 2 TO TECHNICAL PROPOSAL SUBMISSION FORM

SPECIMEN JOINT VENTURE AGREEMENT

This agreement is made the ___ day of _____ 202__, by and between:

_____ (hereinafter called _____), a company organized under the laws of _____, with its principal office at _____, and its address at _____, hereinafter called _____ of the first part,

and

_____ (hereinafter called _____), a company organized under the laws of _____, with its principal office at _____, and its address at _____, hereinafter called _____ of the second part,

The first and the second party together are hereinafter referred to as “the Parties”.

WHEREAS the Council for Development and Reconstruction, representing the Government of Lebanon, hereinafter called “the CDR” has invited the Parties to submit a proposal for the execution of the following project:

_____ (hereinafter called “the Project”)

WHEREAS the Parties wish to enter into a Joint Venture Agreement in order to be prequalified by the CDR to tender for the Project and, if successful, to execute the Project under a Contract to be awarded by the CDR, hereinafter called “the Contract”;

THE PARTIES HERETO AGREE TO FORM A JOINT VENTURE UNDER THE FOLLOWING TERMS AND CONDITIONS:

1 ESTABLISHMENT OF THE JOINT VENTURE

The Parties hereby agree to constitute themselves as a Joint Venture under the name of _____, hereinafter called “the Joint Venture”.

The Joint Venture shall have its offices at the following address:

The objective of the Joint Venture shall be to execute the Project in accordance with all terms and conditions of a Contract to be signed with the CDR. The Joint Venture shall be comply with all laws and regulations relevant to the establishment and operation of joint ventures in Lebanon and shall be certified by the relevant public notary.

2 LIABILITY

2.1 Notwithstanding any other conditions contained in this joint venture agreement or in any other agreement between the Parties, each of the Parties hereby commits itself to be **jointly and**

severally liable towards the CDR as well as towards any and all CO-contractors and/or subcontractors for the proper execution of all obligations of the Joint Venture in relation to the Contract to be signed with the CDR for the execution of the Project.

2.2 The Parties shall keep each other, both during and after the term of this joint venture agreement, fully indemnified against all losses and damages resulting from gross negligence or breach of contract of one party or their personnel or agents in relation to this agreement as well as to all contracts to be executed by the Joint Venture.

3 REPRESENTATION

For the purpose of this joint venture agreement, the Joint Venture shall be represented by the first party hereto _____ who is hereby authorized by the second party to act on behalf of the Parties of this Joint Venture in all matters related to the submission of the Tender, *the negotiation and signing of the Contract with the CDR, the execution of the Project, including but not limited to the invoicing and receipt of payments, the execution of subcontracts, the incurring of liabilities and receipt of instructions on behalf of all partners of the Joint Venture in relation to the Contract with CDR during the entire execution period of the said Contract.*

[Note: the level of authority delegated to the leading party must be determined by the JV Partners. If restrictions apply, supplementary “powers of attorney” must be provided to the leading partner prior to signing of the Contract.]

The Parties shall keep the CDR informed at all times of all details concerning the Joint Venture and its authorized representatives.

4 REVENUE DISTRIBUTION

The total payments to the joint venture shall be distributed between the Parties according to the following proportions:

First Party	_____ %
Second Party	_____ %
-----	_____ %

The local taxes calculation shall be based on the above mentioned percentages.

5 EXCLUSIVITY

The Parties shall exclusively work together in connection with the Project. Each party hereto agrees that it has no interest whatsoever directly or indirectly, in any other proposal which may be submitted to the CDR with respect to the execution of the Project.

6 OBLIGATION TO TENDER

The Parties shall fill in and submit to the CDR their relevant prequalification file documents, and if jointly qualified, they shall tender for the Project as a Joint Venture. If the Contract for the execution of the Project is awarded to the Joint Venture, they shall jointly execute the Project under their joint and several responsibility in accordance with the applicable terms and conditions of contract.

7 DURATION

7.1 This joint venture agreement shall enter in to force and effect as of the date first written above.

7.2 This joint venture agreement shall expire if the Joint Venture’s tender is rejected or in case the Contract is awarded to another bidder.

7.3 In case the Contract is awarded to the Joint Venture, this joint venture agreement shall remain in force until all obligations of the Parties under the Contract have been fulfilled and each of the Parties have honored its obligations towards the other.

8 RIGHTS OF CDR

All rights stipulated in this joint venture agreement in favor of the CDR shall be honored by the Parties as if the CDR were a direct beneficiary of this agreement. Consequently, the Parties hereto acknowledge the right of the CDR to act directly on the basis of this agreement against all or any of the Parties hereof.

9 SETTLEMENT OF DISPUTES

9.1 The parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this joint venture agreement or the interpretation thereof.

Any dispute between the Parties as to the matters arising pursuant to this agreement which cannot be settled amicably within thirty (30) days after receipt by one party of the other party’s request for such amicable settlement may be submitted by either party to the competent Court in the Republic of Lebanon. Lebanese law shall apply to the interpretation of this agreement and to any jurisdiction which may be invoked thereunder.

Alternative 1: “Any dispute between the Parties as to the matters arising pursuant to this agreement which cannot be settled amicably within thirty (30) days after receipt by one party of the other party’s request for such amicable settlement may be submitted by either party to arbitration for final settlement in accordance with the procedures applicable under the Laws of the Republic of Lebanon.”

Alternative 2: “All disputes arising in connection with the present agreement shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.”]

Alternative 3 Any other Option of JV Partners acceptable to CDR

The Parties hereto have caused this agreement to be executed in three copies, one for each party and one for the CDR, by their duly authorized officers on the date first above written

FOR AND ON BEHALF OF

FOR AND ON BEHALF OF

FIRST PARTY

SECOND PARTY

NAME:

NAME:

TITLE:

TITLE:

SIGNATURE:

SIGNATURE:

STAMP:

STAMP:

FORM TECH-2 TECHNICAL PROPOSAL

[Below is a suggested structure of the Technical Proposal]

A - Consultant's Structure and Experience

[Provide here a brief description of the background and organization of your company, and - in case of a joint venture - of each member that will be participating in the Services, including an organizational chart, a list of board of directors, and beneficial ownership.]

B - 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 (TORs), 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 TORs and comments on counterpart staff and facilities provided by the Client if any. Please do not repeat/copy the TORs in here.]

b) Work Plan

[Please outline the plan for the implementation of the main activities/tasks of the Services, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and tentative delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing your understanding of the TORs and ability to translate them into a feasible working plan. A list of the final documents (including reports) to be delivered as final output(s) should be included here. The Work Schedule Form (Form TECH-3) may be used for that purpose.]

C - Consultant's Organization 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, and staffing for training, if the Terms of Reference specify training as a specific component of the Services. Experts' inputs should be specified and should be consistent with the proposed methodology and the TORs requirements. Form TECH-4 may be used for that purpose. CVs of all experts shall be provided (Form TECH-5 may be used for that purpose).]

**FORM TECH-3:
WORK SCHEDULE AND PLANNING FOR DELIVERABLES
(INDICATIVE FORMAT)**

N°	Deliverables ³ (D-..) As per TOR	Months ⁴⁵												
		1	2	3	4	5	6	7	8	9	n	TOTAL	
D-1	[e.g., Deliverable #1: Report A													
	1. Data collection													
	2. Drafting													
	3. Inception report													
	4. Incorporating comments													
	5.													
	6. Delivery of final report to Client]													
	Etc.													
D-2	[e.g., Deliverable #2:.....]													
	Etc.													
n														

3 List the deliverables with the breakdown for activities required to produce them and other benchmarks such as the Client's approvals. For phased Services, indicate the activities, delivery of reports, and benchmarks separately for each phase.

4 Duration of activities shall be indicated in a form of a bar chart.

5 Include a legend, if necessary, to help read the chart.

FORM TECH-4
TEAM COMPOSITION, ASSIGNMENT, AND KEY EXPERTS' INPUTS
(INDICATIVE FORMAT)

N°	Name	Expert's input (in person/month) per each Deliverable (listed in TECH-3)										Total time-input (in Months)		
		Position		D-1	D-2	D-3	D-...				Home ⁶	Field ⁷	Total
KEY EXPERTS⁸														
K-1	[e.g., Mr. Abbbb]	[Team Leader]	[Home]	[2 month]	[1.0]	[1.0]								
			[Field]	[0.5 m]	[2.5]	[0]								
K-2														
K-3														
...														
Subtotal														
NON-KEY EXPERTS														
N-1			[Home]											
			[Field]											
N-2														
...														
Subtotal														
Total														

 Full time input
  Part time input

⁶ “Home” means work in the office in the expert’s country of residence.

⁷ Field” work means work carried out in the Client’s country or any other country outside the expert’s country of residence.

⁸ For Key Experts, the input should be indicated individually for the same positions as required under the Data Sheet ITC21.1.

**FORM TECH-5
(INDICATIVE FORMAT)**

CURRICULUM VITAE (CV)

Position Title and No.	<i>[e.g., K-1, TEAM LEADER]</i>
Name of Expert:	<i>[Insert full name]</i>
Date of Birth:	<i>[day/month/year]</i>
Country of Citizenship/Residence	

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

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 2005-present]</i>	<i>[e.g., Ministry of, advisor/consultant to... For references: Tel...../e-mail.....; Mr. Hbbbb, deputy minister]</i>		

Membership in Professional Associations and Publications:

Language Skills (indicate only languages in which you can work): _____

Section IV. Financial Proposal - Standard Forms

FORM FIN - 1

FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: Council for Development and Reconstruction, Tallet El Serail – Beirut - Lebanon

Dear Sirs:

We, the undersigned, offer to provide the Services for *Financial, Internal control system, procurement and technical Audit of CHUD II Project* 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, duties and fees as per Sub-Clause 16.3 of the Data Sheet. The estimated amount of these applicable taxes, duties and fees 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 Data Sheet.

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,

Authorized Signature]: _____ [In full and initials

Name and Title of Signatory: _____

In the capacity of: _____

Address: _____

E-mail: _____

[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	
	<i>[Consultant must state the proposed Costs in accordance with Sub-Clause 16.4 of the Data Sheet; delete columns which are not used]</i>	
	<i>[Insert foreign currency]</i>	<i>[Insert local currency]</i>
Lump Sum Cost of the Financial Proposal (excluding taxes)¹:		
– Activity 1 (deliverable 1)		
– Activity 2 (deliverable 2)		
– ...		
Security measures ² : payments on the basis of supporting documents (reimbursable)		
Total Cost of the Financial Proposal (excluding taxes)¹: <i>[this amount must be the same as in the Form FIN 1]</i>		
Tax Estimates³ in the Client's country – to be discussed and finalized at the negotiations if the Contract is awarded		
– Value Added Tax (VAT) or equivalent		
– Withholding tax ⁴		
– Contract registration fees ⁵		
– Customs duties		
Total Estimate for taxes, duties and fees in the Client's country:		

NB: Payments will be made in the currency(ies) expressed above (Reference to ITC 16.4)

¹ Taxes, duties and fees to be excluded from the Financial Proposal and presented separately are indicated in Sub Clause 16.3 of the ITC.

² Prices include all the activities and measures defined in Article 4 of the terms of reference - *security* and correspond to the additional costs compared to a situation without security risk. A breakdown of the security measures price will be included in the Proposal.

³ List here the taxes, duties and fees to be presented separately in accordance with Sub-Clause 16.3 of the ITC.

⁴ On the invoices from the Consultant based outside the Client's country.

⁵ Add a line here if there are other similar fees such as a fee to the regulatory body for public procurement, or equivalent.

FORM FIN-3 BREAKDOWN OF REMUNERATION

Note:

- For time-based Contracts, this form will serve as a basis for payment.
- For lump-sum Contracts, the data provided in this form will not be used for the payment of the Services, but, if needed, to define payments to the Consultant for additional services requested by the Client. The format of this form is indicative.]

A. Remuneration: _____						
No.	Name	Position (as in TECH-4)	Person/Day ⁶ Remuneration Rate (excluding taxes)	Time Input in Person/Day (from TECH-4)	[Foreign currency – as in FIN–2]	[Local currency – as in. FIN–2]
_____	Key Experts	_____	_____	_____	_____	_____
K-1	_____	_____	[Home] _____	_____	_____	_____
			[Field] _____	_____	_____	_____
K-2	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	Non-Key Experts	_____	_____	_____	_____	_____
N-1	_____	_____	[Home] _____	_____	_____	_____
			[Field] _____	_____	_____	_____
N-2	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
Total Costs (excluding taxes)						

⁶ Unlike short-term experts who will be calculated in Expert/Day, long-term Experts will be calculated in Expert/Month.

Form FIN-4: Breakdown of Other Expenses

Note:

- For time-based Contracts, this form will serve as a basis for payment.
- For lump-sum Contracts, the data provided in this form will not be used for the payment of the Services, except in the case of reimbursable expenses (see column "Unit Cost").]

B. Other Expenses: _____							
No .	Type of Other Expenses ¹	Unit	Unit cost ¹	Unit Cost (excluding taxes)	Quantiy	[Foreign currency – as in FIN-2]	[Local Currency – a s in FIN-2]
__	Per diem allowances ¹	Day	Lump-Sum	_____	_____		
__	International flights	Ticket	Lump-Sum				
__	In/out airport transportation	Trip	Lump-Sum				
__	Communication costs between [Insert place] and [Insert place]	Month	Lump-Sum			_____	
__	Reproduction of reports	1	Lump-Sum			_____	
__	Office rent	Month	Lump-Sum			_____	
__	...	_____	_____			_____	
__	Training of the Client's personnel – if required in TORs	As per TORs	Lump-Sum			_____	
Total Costs (excluding taxes)							

¹ Delete any item not relevant to the Services.

¹ Substitute "Lump Sum" by "Reimbursable" if the Client prefers to reimburse incurred expenses at their actual cost.

¹ Per diem allowance is paid for each night the expert is required by the Contract to be away from his/her usual place of residence. Client can set up a ceiling.

FORM OF CONTRACTUAL COMMITMENT

Name of Project:

To: REPUBLIC OF LEBANON
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTIONI the undersigned _____ dully authorized to sign
on behalf of _____
having as permanent Address in Lebanon _____

Telephone No.: _____

Facsimile No.: _____

Acknowledge my revision and examination of the Bid Conditions and Procedures, Conditions of Contract, Terms of Reference, and all other documents pertaining to the execution of the above-named project.

I proclaim that after reviewing and examining the documents which I may not claim to ignore and after obtained all required information and being aware of the Contract details, difficulties and obstacles if any, of the required Services.

I pledge, if my Bid is accepted, to execute and complete all the required Services therein in conformity with the said Conditions of Contract and Term of Refernces within the Time for completion stated in the Contract Document.

I also acknowledge that I have put the prices and accepted the stipulations stated in the Conditions of Contract, taking into consideration all the Bid Documents and contract conditions and the difficulties that may be encountered, if any, during the execution of the Works.

Date:

Name of Bidder:

Name:

In the capacity of:

Signature:

Address:

(Stamp 50,000 Lebanese Pounds)

Form of Bid Security

(Bank Guarantee)

[The Bank shall fill in this Bank Guarantee Form in accordance with the instructions indicated.]

[Guarantor letterhead or SWIFT identifier code]

Beneficiary: *[Purchaser to insert its name and address]*

Name of Bid:

Reference:

Date:*[Insert date of issue]*

BID 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 the Bidder, which in the case of a joint venture shall be the name of the joint venture (whether legally constituted or prospective) or the names of all members thereof]* (hereinafter called "the Applicant") has submitted or will submit to the Beneficiary its bid (hereinafter called "the Bid") for the execution of _____ under Invitation for Bids No. _____ ("the IFB").

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

At the request of the Applicant, 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 complying 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 Applicant:

- (a) has withdrawn its Bid during the period of bid validity set forth in the Applicant's Letter of Bid ("the Bid Validity Period"), or any extension thereto provided by the Applicant; or
- (b) having been notified of the acceptance of its Bid by the Beneficiary during the Bid Validity Period or any extension thereto provided by the Applicant, (i) has failed to execute the contract agreement, or (ii) has failed to furnish the performance security, in accordance with the Instructions to Bidders ("ITB") of the Beneficiary's bidding document.

This guarantee will expire: (a) if the Applicant is the successful bidder, upon our receipt of copies of the contract agreement signed by the Applicant and the performance security issued to the Beneficiary in relation to such contract agreement; or (b) if the Applicant is not the

successful bidder, upon the earlier of (i) our receipt of a copy of the Beneficiary’s notification to the Applicant of the results of the bidding process; or (ii) twenty-eight days after the end of the Bid Validity Period.

Consequently, any demand for payment under this guarantee must be received by us at the 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.

[Signature(s)]

Note: All italicized text is for use in preparing this form and shall be deleted from the final product.

Section V. Eligibility Criteria

Eligibility in AFD-Financed Procurement

1. Financing allocated by AFD to a Contracting Authority has been entirely untied since 1st 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. The law of the Client's country does not authorize the consultant to perform the Contract without having a permanent establishment in the Client's country.
According to MoF decision number 320 dated March 5, 2010, only classified consultants are eligible to apply for governmental external audit mission, thus MoF non-classified external auditors will be excluded.
3. Natural or legal Persons¹ (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:
 - 3.1 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;
 - 3.2 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;
 - 3.3 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;
 - 3.4 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;

¹ 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).

-
- 3.5 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;
 - 3.6 Are subject to an exclusion decision of the World Bank and are listed on the website <http://www.worldbank.org/debar>, 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;
 - 3.7 Have created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of the Contract.
4. 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 VI – 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 auditors 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 Person¹ 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;

¹ 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 Person² means: 0
- 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:

- a) 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;
- b) Implement environmental and social risks mitigation measures when specified in the environmental and social management plan (ESMP) provided by the Contracting Authority.

² Means any natural Person other than a Public Officer.

Section VII. Terms of Reference

Terms of Reference - *Security*

1. **Preamble**

The situation in Lebanon is volatile and unpredictable due to recent and ongoing events in occupied Palestine, the West Bank and the Gaza Strip. Violent clashes were recently taking place along the border between occupied Palestine and southern Lebanon, including daily rocket and missile attacks and airstrikes. A cease-fire was agreed in November 2024, but still the security environment in Lebanon is precarious. Large-scale protests have led to civil unrest, particularly in Beirut. Protesters have targeted foreign embassies and international organizations.

The country is facing a major economic crisis, resulting in significant shortages of basic necessities, including medicine and fuel. Economic instability is also impacting the delivery of public services, including health care.

Crime rates are on the rise. Decreased resources within the security forces are affecting law enforcement.

In this sense, special security measures must be taken, however the Consultant will prepare a convincing methodology showing his vision how he will protect his staff during the execution of the missions.

The roles and responsibilities related to the safety of people and property generally involve several aspects. These include:

Escort: Organize and provide a secure escort when needed, especially for sensitive or high-risk trips.

Accommodation: Provide secure facilities by implementing appropriate protection measures, such as surveillance systems, restricted access, etc.

Guarding: Maintain an effective security presence to monitor and protect the premises against intrusions and potential threats.

Transport: Put in place secure arrangements for transport, including route assessment, vehicle security, and possibly escorts.

Emergency communication: Establish emergency communication protocols to enable a rapid response in the event of a critical situation. This may involve specific communication devices and clear action plans.

The effectiveness of these measures often depends on coordination between security teams, awareness-raising among those affected, and the implementation of well-defined protocols in the event of a threat or emergency.

The Consultant must show the care it exercises to protect its employees who perform Works in the country. Therefore, it must identify the risks and, in light of this analysis, define prevention and protection resources, incorporating additional resources therein, which may be organisational, technical or human resources. These elements shall be described in a methodology, which for each of the headings below must address and describe what the Consultant has planned.

Disclaimers:

- 1 - Although the specified admissibility requirements endeavour to correlate with the potential risks to which the Contract may be exposed, they are intended to be used solely to evaluate Proposals in order to eliminate Proposals that do not meet a minimum set of requirements. They are in no event to be understood to constitute sufficient measures to ensure the security of persons and property in connection with the Contract. **The risk assessment and security measures to be defined in consequence thereof are the responsibility of the Consultant, who shall explain them in its security methodology.**
- 2 - **A methodology that fails to meet any one of the admissibility requirements set out in the sections below will be declared non-compliant and the Proposal of the Consultant will be rejected.**

2. Analysis of security issues and threats

The Consultant shall describe its view of the security environment and threats in the area where the Contract will be performed and/or the danger area, and present a security analysis for the relevant area and for the activities it will perform therein. It shall specify the method and references used to perform this analysis and describe the main threat scenarios that can be identified at the Proposal stage.

In addition, it shall at all times be able to share information learned from its country watch by its local organisation or head office.

Admissibility requirements:

- Document describing the method used to carry out this analysis;
- At least one identifiable reference source must be used;
- Identification and evaluation of security threats in relation to the contract;
- Description of measures planned to monitor local security.

3. General security organisation

The Consultant shall define the general security roles and responsibilities within its organisation and the allocation of the associated tasks for this Contract (including subcontractors and co-contractors), and shall designate a security reference person. It shall define the planned organisation and resources. In the event of a Joint Venture (JV), the leader shall designate a security officer as the JV's sole contact for this Contract.

Admissibility requirements:

- Description of the organisation;
- The Consultant (and each member in the case of a JV) shall provide the name of the company's internal security officer, who shall be responsible for defining and monitoring the measures implemented for the Contract.

4. Specific security measures planned

Based on its own security analysis and the main threat scenarios it may have identified, the Consultant shall plan specific and appropriate measures. These measures shall cover at least the following matters:

4.1 Security organisation

The Consultant shall describe its local security organisation in the country where the Services will be performed. In particular, it shall specify whether this organisation relies on internal resources, using its own resources already existing in the country, or whether it uses a local partner, a security services provider or a "Security Officer" dedicated to the Contract, or whether it relies on the country's State resources and whether it can request them directly. It shall describe the respective roles planned for each participant operating locally.

Admissibility requirements:

- Description of the organisation and resources mobilised in the country of the Contract;
- The Consultant (and each member in the case of a JV) shall provide the name of the person who will be its contact for all security issues in relation to the Contract. This person may be the same person identified in Article 3 above;
- In the event of a JV, describe the coordination and distribution of responsibilities among the members;
 - Designation:
 - of a "security officer" (CV to be provided); **OR**
 - a security service provider (references to be provided), with experience in the region where the Contract will be performed.

4.2 Travel within the country and to the relevant area

Depending on the security analysis, special measures may be required to ensure secure travel within the country. These means may include the use of aircraft of national companies or private aircraft, the use of passenger vehicles, or maritime or inland waterways.

The Consultant shall describe the resources and measures planned to protect itself against security risks (crime, kidnapping, etc.) during these trips. These provisions may be technical, organisational or human. It shall distinguish between measures concerning protective actions and measures deemed forward-looking actions.

The Consultant shall describe the planned transport logistics, including human, technical and organisational resources and mechanisms for monitoring travel. It shall also define its requirements for maintenance management and rules of conduct.

Admissibility requirements:

- Description of modes of travel, the physical means of travel and the security measures planned in connection with such travel;
- Distribution of roles and measures planned for the Consultant itself, for external participants and those expected from the Client and local authorities, identifying each actor;

- Identification of the service provider responsible for arranging escorts.

4.3 Accommodation during assignments

If the accommodation and security measures of the Consultant are not provided by the Client or the works company (in the case of construction project), the Consultant shall describe the type of accommodation and the measures planned to ensure the security of teams (security guards, physical means, etc.).

Admissibility requirements:

- Description of the accommodation selection criteria and security measures planned for each overnight stay;
- Provision of the names and addresses of hotels or accommodation venues planned for overnight stays;
- Description of the additional protective measures (security, specific accommodation for long-term stays ("panic room", etc.).

4.4 Communication

The Consultant shall implement a communication and exchange process between the various Contract participants, to ensure reporting of security events, and that preventive or corrective actions deemed necessary are properly carried out. It shall describe the means enabling it to ensure effective communication.

Admissibility requirements:

- Description of the planned means of communication and measures taken to ensure their reliability;

5. Information, awareness-raising and training before departure

The Consultant shall make arrangements to inform, raise awareness and train its employees prior to departure on assignment. These arrangements shall be in the form of formal communication actions. It shall describe the provisions specifically planned for this Contract, in the form of "service orders" or similar documents.

Admissibility requirements:

- Description of essential instructions provided to employees (welcoming, briefings, updating of instructions booklets, etc.);
- Provision of the list of emergency numbers (local numbers and service providers, repatriation, head office on-call security service) furnished for the Contract's assignments;
- List of possible travel restrictions, modes of transport within cities, forbidden neighbourhoods, etc.

6. Alert management and crisis management

The Consultant shall prove that it has set up a crisis management process involving the local organisation and its head office. It shall describe the main procedures for triggering this process and its key operating procedures.

For this purpose, the Consultant shall describe the alert process, from the local organisation to its head office, and the interaction with the Client.

Admissibility requirements:

- Summary of the crisis management procedure dedicated to security, describing triggers, roles and responsibilities.

Terms of Reference

Council for Development and Reconstruction

Talet El Serail

BCD -Beirut

TERMS OF REFERENCE FOR A FINANCIAL, INTERNAL CONTROL SYSTEM, PROCUREMENT AND TECHNICAL AUDIT OF THE PROJECT ENTITLED CULTURAL HERITAGE AND URBAN DEVELOPMENT PHASE II (CHUD II)

« Cultural Heritage and Urban Development II»

CHUD II

Agreement number(s):	AFD CLB 1039 01 J
Entity subject to the audit:	Council for Development and Reconstruction – CHUD II Project Account
Country:	Lebanon
Contracting Authority:	Council for Development and Reconstruction
Provisional audit contract conclusion date:	May 31th, 2026
Period covered:	From September 24 th , 2014 till 30 th of April, 2026.

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 Cultural Heritage And Urban Development Projects' Background CHUD – CLB 1039

- The Cultural Heritage and Urban Development project in Lebanon has two main objectives:
 - i) Creating conditions for increased local economic development and enhanced quality of life in the project's cities (Baalbeck, Byblos, Saida, Tripoli, Tyr),
 - ii) Improving the conservation and management of Lebanon's built cultural heritage.
- Corresponding to its objectives, the project was developed under three main components:
 - i) Rehabilitation of historic city centers and urban infrastructure improvements (urban component);
 - ii) Archeological sites conservation and management (archeology component); and
 - iii) Institutional strengthening.
- The funding of the project at appraisal (2002) was around 61 M USD secured by the Government of Lebanon (GoL), and through loans from the World Bank (WB), the French Agency for Development (AFD), and the Agenzia Italiana per la Cooperazione allo Sviluppo (AICS) and a small grant from the Government of France for a 5 years period (2004 till 2009).
- In order to complete the project components and due to additional variations & price escalations, the Government of Lebanon requested the WB, AFD and the AICS to secure additional Loans.
 - The WB CHUD additional Loan No.8137-LE was signed on August 9th, 2012 for an additional amount of 27 M\$, became effective on August 4th, 2014 and closed on December 31st, 2016.
 - **The AFD CHUD Additional Loan No.1039 was signed on November 11th, 2011 for an additional amount of 21 M€, became effective on September 24th, 2014 and expected to be closed on April 15th, 2025.**

The total budget for the CHUD Project is currently at around 120 M\$, almost totally committed and disbursed

- The Cultural Heritage & Urban Development Project Additional Financing (CLB 1039) effective since April 2014 is a Euros 21 Million loan fully funded by the AFD targeting the historic centers of Tyre & Tripoli cities.

1.1.3 Context of the Audit

According to the Financial Agreement no. **AFD CLB 1039 01 J** the Governing Body² has to ensure the annual financial audits of the Project Account throughout the duration of its use.

- These audits will be carried out by an independent audit firm having a good reputation, selected by the Beneficiary, after getting the no-objection opinion of the

² The Governing Body may refer to its internally generated PFS under other terminologies like "project Sources and Uses of Funds" which also refers to the Statement of Cash Receipts and Payments: "Withdrawal applications by category" which also refers to the Statement of Cash payments and "Financial Summary Status report" which also refers to Contract listing of all contracts.

AFD on the terms of reference of the audit mission, as well as, on the selected audit firm.

- The cost of the audit will be financed under the Financial Agreement n° **CLB 1073 01 G – FERC III.**
- The audit should verify, in particular, that the Loan's fund paid into the Project Account has fulfilled all of the Agreement conditions under the Financial Agreement n° CLB 1039 01 J CHUD II..

The Governing Body (CDR) of the Project shall at all times maintain a financial management system, including records and accounts, and prepare project financial statements in a format acceptable to the AFD and adequate to reflect the operations, resources and expenditures related to the Projects.

Also the Governing body shall maintain records and supporting documents for all expenditures with respect to which withdrawals from the Loan account were made (the records should reflect all categories of withdrawals, SOEs, and replenishments of Project Special Account). CDR will be required to comply with the AFD Procurement Guidelines for the procurement of goods and services to the Projects.

The Project Financial Statements ("PFS")¹ are comprised of a:

- i) Statement of Cash Receipts and Payments for the year then ending and cumulatively from inception date up till the year ending including funds received from various sources (1-Banque du Liban CDR – CHUD accounts, 2-Direct transfer from AFD)
- ii) Statement of Cash Payments classifying the uses of funds, i.e. project expenditures by component showing yearly and cumulative balances,
- iii) Reconciliation statement for the balance of the Project's Special Account as of year-end showing the opening & closing balances,
- iv) Statement of Cash payments made using Statements of Expenditures (SOE) basis as defined in the Loan agreement,
- v) Contract listing of all contracts showing amounts committed, paid, and unpaid under each,
- vi) Accounting policies and explanatory notes.

The project financial statements mentioned above, the records and accounts for the Project Special Account (BDL-CDR CHUD) for each fiscal year have to be audited, in accordance with auditing standards acceptable to AFD, consistently applied, by the Independent Auditors acceptable to AFD. These TOR will form an integral part of the contract between the Contracting Authority (CA) and the auditor.

1.2 Audit Objective

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

- **the financial statements** of the Project, in all material aspects, the expenditure actually incurred and revenue actually received for the Project for the period covered by the audit;
- **the funds allocated to the Project 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 Entity 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;

Section VII. Terms of Reference

- **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 (or Extend) of the Audit

1.3.1 Contractual Conditions

Documents governing CHUD II Project are:

- The Financial Agreement no. **AFD CLB 1039 01 J**, signed on November 11th, 2011 between the AFD and the Lebanese Government represented by The Council for Development and Reconstruction (CDR), and became effective on September 24th, 2014, and all its related addendums:
 - Addendum 1 dated August 23rd, 2013;
 - Addendum 2 dated December 5th, 2014;
 - Addendum 3 dated December 8th, 2017;
 - Addendum 4 dated January 21st, 2021;
 - Addendum 5 dated February 18th, 2021;
 - Addendum 6 dated May 24th, 2021;
 - Addendum 7 dated October 27th, 2021;
 - Addendum 8 dated December 12th, 2023;
 - Addendum 9 dated July 30th, 2024;
 - Addendum 10 dated November 6th, 2024.
- The contracts and its related annexes and addendums signed between CDR and all the selected consultants (Studies and/or Supervisions), as well as related and approved deliverables,
- The contracts and its related annexes and addendums, signed between CDR and all selected contractors, as well as related and approved deliverables,
- The regulation, policies and procedures of the Lebanese Public Administration and the CDR ones,
- The Aides Memoires issued by the AFD,
- The documents and reports issued by the Project Management Unit (PMU) and shared with the AFD such as yearly reports, monthly reports, Minutes of Meetings...
- AFD No Objection Notice – NON when requested as per AFD policy and procedures,
- The correspondences between the CDR and all project's stakeholders (AFD, Ministries, Municipalities, Consultants, Contractors...).

1.3.2 Period (s) covered

As per signed Financial Agreement no. **AFD CLB 1039 01 J**, art. 3.2.10, the project should be audited periodically, and the selected independent external auditor should issue his report for each period within a delay of 3 months after the end of each period, covering the timeline between the start of the project i.e. June September 24th, 2014 till the end of CHUD II, expected in April 15th, 2025. It is important to note that the following fiscal years 2014, 2015, 2016, 2017, 2018, 2019, and 2020 were audited by an external independent auditor, and reports were issued accordingly.

Thus, the selected auditor has to conduct the audit for periods covering the fiscal years 2021, 2022, 2023, 2024 and 2025 in a global audit, then submit his final audit report within 4 months of the contract notification.

The audited fiscal period will be distributed as follows:

- First period: from September 24th, 2014 till December 31st, 2020;
- Second period: from January 1, 2021 till April 15th, 2025.

1.3.3 Financial and Volume Data

Until Dec 2021, the project committed contracts amounting € 18.84 M out of € 19.058 M (99%) of the AFD additional financing, and disbursed a total amount of € 18.66 M, (around 98%) of the AFD Budget. Financial and volume data for the period covered by the financial component of the audit is provided below:

Initial budget of the project is: 21 Million Euros ;

Revised and final budget of the project is : 19.058 Million Euros;

Expenditure amount implemented over the period of the project 99% of the budget;

One main bank account opened and managed for the Project by CDR at the Lebanon Central Bank;

Number of main contracts for the project is 16 distributed as follow:

Component 1, (Urban component) up to 11;

Component 3: (Administrative Support) up to 5.

The list of awarded contract is as follow:

Component 1						
Cilty	Type	Project	Initial Amount In USD (\$)	Variation #1 In USD (\$)	Variation #2 In USD (\$)	Final Amount In USD (\$)
Tyre	Studies	Design and Supervision of old Souks and Ras El Jamal – Tyre Phase III –CHUD – Contract # 19969	\$247,500.00	\$34,334.87		\$281,834.87
	Works	Rehabilitation Works of old Souks and Ras El Jamal – Tyre Part I – Contract #20485	\$1,610,240.97	\$426,524.36		\$2,036,765.33
Tripoli	Studies	Environmental Management Plant (EMP) in Tripoli and Tyre within the Cultural Heritage & Urban Development (CHUD) Project- Phase III – Contract #20454	\$22,430.00			\$22,430.00

Section VII. Terms of Reference

	Works	Rehabilitation of Souk Al-Kameh and the Mawlawiya Area Public Spaces & Urban Facades in Tripoli Old City-Phase III-Operation 1B & 7-Contract #20134	\$3,850,439.70	\$779,292.25	\$167,813.63	\$4,797,545.58
Tripoli	Works	Cultural Heritage & Urban Development –(CHUD)- Rehabilitation of the Historic Centers & Urban Infrastructures Improvement-Tripoli Old City- Phase III Rehabilitation of the southern Souks, Public Spaces & Urban Facades- Operations 5A, 5B & 8 Contract #19949	\$6,398,100.97	\$573,568.70	\$763,178.95	\$7,734,848.61
	Studies	Design and Supervision of Abu Ali River & Mawlawiya Adjacent Elevations Contract Contract #19978	240,125.00 \$	\$(-)100,000.00		\$140,125.00
	Studies	Supervision of Rehabilitation of Souks, Public Spaces and Urban Facades Projects –Contract #20047	\$247,500.00	\$50,108.00	\$42,417.95	\$340,025.95
	Studies	Tripoli Phase III – Design and Supervision of Khan El Saboun and Lot 131 – CHUD – Contract #20049	\$216,700.00	\$(-)108,900.00		\$107,800.00
	Studies	Tripoli Phase III – Design and Supervision of Khan El Saboun and Lot 131 - CHUD			Cancelled	

Tripoli	Works	Cultural Heritage & Urban Development (CHUD) Project- Complimentary Works for the Rehabilitation of Ali Abu Ali River Banks in Tripoli Old City- Contract #19415	\$2,778,430.80	\$361,884.00	Var. #2 \$576,927.00 Var. #3 \$529,230.00 Var. #4 \$662,825.20	\$4,972,297.00
	Studies	Cultural Heritage & Urban Development (CHUD) in the Cities of Tripoli and Tyre – Monitoring and Evaluation (CRI) – Contract #20523	\$68,875.00			\$68,875.00

Component 3					
	Item	Project	Contract Number	Consultant	Total Amount
CDR		Cultural Heritage & Urban Development (CHUD) Project – Project Management Unit (PMU) – (Procurement Specialist)	16680	Hala Deghaili	\$369,930.00
		Cultural Heritage & Urban Development (CHUD) Project – Municipal implementation Unit (PMU) Project Management Unit (PMU) – (Civil Engineer)	15317	Maher Baker	\$380,195.00
		Cultural Heritage & Urban Development (CHUD) Project – Municipal implementation Unit (PMU) Project Management Unit (PMU) – (Architect - Planner)	15277	Nabil Itani	\$452,315.75
		Cultural Heritage & Urban Development (CHUD) Project – Municipal implementation Units (MIUs) (Municipal Engineer in Tripoli)	16683	Ahmad El Meched	\$285,745.00

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		Cultural Heritage & Urban Development (CHUD) Project Project Management Unit (PMU) (Administrative Assistant)	20050	Sonia Der Alexanian	\$79,510.63
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Data for the audit of the internal control system included, is provided below:

- The number of administrative sites is one:
 - The Council for Development and Reconstruction offices.
- The number of technical sites is two:
 - City of Tripoli in North Lebanon;
 - City of Tyre in South Lebanon.

1.3.4 Restrictions to the Scope of Work

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

He/she informs the Entity of any attempt to restrict the scope of the audit, or any lack of cooperation on the part of the Entity. The auditor consults with the Contracting Authority 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 Contracting Authority 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 stage

Engagement preparation

The selected auditor should contact the Contracting Authority (CDR) as soon as possible (and no later than 1 week) after being formally notified, to prepare the engagement and agree on its timetable.

Preparatory meeting with the Contracting Authority

The purpose of this meeting is to exchange views on audit planning and field work if needed, the proposed structure of the report, 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).

Opening meeting with the Project / Programme Management Unit (PMU)/ Contracting Authority Representative

An opening meeting is organised to address the following topics: planning of the audit, documents availability and key staff availability.

Execution of the audit engagement

The auditor performs the procedures detailed in section 2.3 of these TOR. He 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.

Presentation and restitution meeting

At the end of the engagement, the auditor prepares a presentation and is required to organise a closing meeting with the Contracting Authority. Representatives of the AFD may take part in this meeting, aimed at reviewing the presentation and obtaining from the Contracting Authority its observations on the auditor’s findings and recommendations. If necessary, the Contracting Authority shall provide additional documents and/or information to be taken into consideration in the draft report if needed.

Draft Report to be sent to the Contracting Authority and AFD

A draft report (DR) covering the 2 periods mentioned above in paragraph 1.3.2. must be prepared and submitted 2 weeks after the closing meeting. Submission follows the following stages:

DR sent simultaneously to the CDR and AFD
The DR is sent at the same time to the CDR and AFD for their comments
The CDR and AFD send their Comments on the DR to the Contracted Auditor
The Auditor integrates the comments from the CDR and AFD and prepares the final report

Comments on the draft report by the Contracting Authority and AFD

The Contracting Authority and AFD have 1 week 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 Contracting Authority (CDR) to agree on a solution. Any additional period granted by the Contracting Authority is confirmed in writing to the Auditor with no additional cost.

Final report

The final report must be submitted by the auditor within 1 week following receipt of comments and observations, and of any additional supporting documentation.

2.1.2 Audit Timetable

Start-up must occur within 1 weeks after contract signature and notification.

The period between the audit closing meeting and submission of the final audit report to the Contracting Authority must not exceed 5 weeks.

The maximum duration of the mission is set at 10 Weeks.

Example of a detailed timetable to be completed by the auditor for a mission of a maximum 4-month duration:

	W 1	W 2	W 3	W 4	W 5	W 6	W 7	W 8	W 9	W 10
Engagement preparation										
Preparatory meeting with the Contracting Authority										
Opening meeting with the Project with the Project / Programme Management Unit (PMU)										
Execution of the audit engagement										

Section VII. Terms of Reference

Presentation and restitution meeting																				
Closing meeting																				
Draft Report to be sent to the Contracting Authority and AFD																				
Comments on the draft report by the Contracting Authority and AFD																				
Final report																				

2.1.3 Engagement Logistics

Describe the logistical resources made available to the auditor:

- When conducting the audit, the CDR will ensure an office for the audit team suitable for 3 persons;
- It is still important to mention that no transportation will be made available for the auditors within the “Great Beirut Area” when visiting the CDR and AFD, as well as in the North Lebanon and South Lebanon areas when visiting Tripoli and Tyre cities;
- The cost of transportation is paid by the auditor.

2.1.4 Volume of Services

The estimated maximum overall volume of services in man-days for the entire audit team is 150 days. The table below details the volumes of services by expert:

	Key experts				Non-key experts	TOTAL
	K-1 Team Leader: Financial Audit Expert	K-2 Financial Auditor	K-3 Engineer / Architect	K-4: Legal expert	Assistant Auditor	
Min. No. days	35	35	6	10	10	96
Max. No. days	50	50	8	12	15	135

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 French or 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 and unaudited.

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

He /she then sends to the Contracting Authority and 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.

The auditor should report on his / her work, using the following sections of the audit report template (see Annex 4.4 of the TOR):

- Section 3.1: Summary of financial findings table, with the only modification consisting in replacing “Draft Report” and “Final Report” with “Result of the audit”;
- Section 4.1: financial findings, presented one by one;
- Annex 4.3 of the TOR: an Excel file documenting the auditor’s verifications, which will be adapted by removing columns for received observations and final findings.

The deliverables expected from the audit mission are as listed below:

- A global and final audit report covering all the implementation period of the Project from September 24th, 2014 till April 15th, 2025. The report shall summarize the previous audit

reports findings and expose the expenses by contract, detailing the eligible and the non-eligible expenses as well as the corresponding use of related advance paid by AFD to the Contracting Authority on the Project account.

2.2 Audit Methodology

• **Sample Determination**

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

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

The auditor shall audit 100% (in amount) of the total expenditure stated in the financial report.

b) Audit of the internal control system

The various financial and administrative management processes of the Project / Program 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). 100% of contracts are to be audited.

c) Procurement audit

100% of contracts are to be audited.

d) Technical audit

The audit is expected to examine two sample work contracts undertaken under the Project. Sample determination shall be agreed upon with the Contracting Authority and AFD.

2.2.1 Eligibility Conditions

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

- its compliance:
 - with the financing and/or delegation (of funds or of project management) agreement, and with the procedure's manual and contracts,
 - with the annual activity program for which AFD gave a NON,
 - with procurement legislation and/or AFD procurement guidelines,
 - with technical standards and standards of professional practice for the performance of contracts.
- the existence:
 - of supporting documents by type of expenditure,
 - 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 Project / Programme has ensured to obtain the most satisfactory quality/price ratio;
- that the expenditure/contracts have been incurred/executed by the Entity during the Project / Programme implementation period defined in the financing and/or delegation agreement;
- that expenditure is adequately recorded in the Entity's accounts;
- that expenditure does not include any ineligible costs (e.g. certain taxes or VAT).

2.2.2 Determination of the Opinion

Section VII. Terms of Reference

The possible audit opinions for financial 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.

2.2.3 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. Other Excel files to facilitate the application of audit procedures. 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 selected auditor adapts the scope of his review of the design and operation of the internal control system based upon his prior knowledge of Contracting Agency / AFD.

a) Documents analysis

The auditor should particularly examine:

- the financing and project agreements(s), protocols, contracts, technical and financial implementation reports, Aides Memoires, activity programs and budget procedures manual 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 selected 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 payment control procedures;
- compliance with applicable procedures for contractors and 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.

The auditor may use the *ICS Review Module* file, available on the AFD website, as a framework to perform such work.

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 Project/Programme, 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 Project / Program 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 Project, and
- prevent and/or allow to detect and correct individual errors or undesired events, such as:
 - the total or partial non-achievement of the Project objectives,
 - the non-reliability of the Project financial and technical implementation reports and/or financial statements,
 - the fact that funds allocated to the Project have not been used in accordance with the financing agreement conditions,
 - the occurrence of fraud and/or irregularities.

Detailed controls are proposed in the *ICS Review Module* file, available on the AFD website.

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 Project are effectively reflected in complete, sincere and correctly drawn up financial statements. As such, he/she:

- ensures that the Project financial statements have been prepared in accordance with the requirements set out in the financing agreement as well as in the Project/Program procedures manual (e.g. accrual or cash-based accounting);
- ensures that the financial statements present fairly, in all material aspects, the actual expenditure incurred and revenue received for the Project/Programme 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 and books of accounts;
- 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 Project;
- 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;

Section VII. Terms of Reference

- verifies, if applicable, the procedures used to control funds sent to other entities involved in activities implementation.

The auditor may elect to request written statements in a letter of representation (A template, from ISA 580, is provided in Annex 4.4; the auditor will verify that ISA 580 has not altered this template) signed by member(s) of the Management who are primarily responsible for the Entity's management (ISA 580). The purpose of this approach is to obtain evidence that the Management acknowledges its responsibility for: the financial report's reliability, adherence to the financing agreement conditions, compliance with regulations and best practices for procurement and execution of contracts, and the organisation of an appropriate internal control system.

b) Verification of the use of funds

The objective of these procedures is to ensure that:

- the funds allocated to the Project 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 Project 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 and/or delegation agreement, activity programme and procedures manual, 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 Project 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.

Detailed controls are proposed in the *Financial Module* file, available on the AFD website.

2.3.3 Procurement Audit

The auditor examines and assesses the following aspects:

a) 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;

b) 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;
- cases of contract splitting.

c) 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.

d) 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.

2.3.4 Technical Audit

The auditor examines the following aspects:

- *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 actual completion of services / works (reality, quality and compliance with contractual conditions);*

2.3.5 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 Project 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 Project 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).

Section VII. Terms of Reference

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 Entity. 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;*
- *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 French (or other official language of the country);*
- *audit experience in the Project/Programme sector.*

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".

K1 – Team Leader (Category 1): Financial Audit Expert (Certified Public Account)

A Category 1 expert (Audit partner or Audit firm owner or Audit manager). He / She should be a highly qualified expert with relevant professional qualifications, holding at least a Master degree in Accounting or Auditing or Finance or Business Administration (or its equivalent), and assuming or having assumed team leader and supervisor responsibilities in financial audit practice.

The Team Leader should be a member of a Lebanese Association of Certified Public Accountants LACPA. Being member of an international accounting or auditing body or institution is a plus. The

expert must have at least 10 years of experience as a professional financial auditor, in the field of donor-funded projects / programmes audit.

This expert 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.

K2 – Financial Auditor (Category 2): LACPA Certified Public Account

The Auditor should be a qualified expert with a relevant university degree or professional qualification in accounting and/or auditing. He must have at least 5 years of experience as a professional auditor in the field of donor-funded projects / programmes audit. He must demonstrate successful experience in managing audit teams.

K3 – Architect/Engineer with experience in conservation and urban development and infrastructure (Category 2):

K3 expert should hold a university degree in Architecture or Engineering, and have at least 8 years of experience in conservation of historical cities and monuments, and preferably in the field of donor-funded projects / programmes.

K4 – Legal expert (Category 2): with experience in Contract and Management.

K4 expert should hold a university degree in Law, Economics, or Management, and have at least 5 years of experience in preparing and reviewing contracts, agreement and conventions for donor-funded projects / programmes. The expert should have a minimum experience of 8 years in the field.

3.2.3.2 Non-Key Experts

Category 3 – (e.g. assistant auditor)

Assistant auditors must have a university degree in accounting and/or auditing, and have at least 1 year of professional experience as a professional auditor

3.2.3.3 Support Staff and Technical Support

The auditor is free to propose additional support (administrative and/or technical) in his/her bid, the cost of which should then 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

	Cat 1: K-1	Cat 2: K-2, K-3 & K-4	Cat 3: Assistant-	TOTAL
Min. No. of Experts	1	3	1	5
TOTAL	1	3	1	5

Section VII. Terms of Reference

4 Appendices

- 4.1 [Annex 4-1 Key project Programme info. xlsx](#) *Key_Project/Programme Information*
- 4.2 [Annex 4-2 Findings & Misstatements.xlsx](#) *Nomenclature of Findings and Misstatements*
- 4.3 [Annex 4-3 Expenditures & Findings.xlsx](#) *List of Expenditures and Findings (Model)*
- 4.4 [Annex 4-4 Audit Report Template \(Model\) \(1\).docx](#) *Audit Report Template*
- 4.5 [Annex 4-5 Letter of Representation \(Model\) En.pdf](#) *Letter of Representation (Model)*

**PART II – CONDITIONS OF CONTRACT AND
CONTRACT FORMS**

Section VIII. Conditions of Contract and Contract Forms

CONTRACT FOR CONSULTANT'S SERVICES

Project Name _____

Contract No. _____

between

[Name of the Client]

and

[Name of the Consultant]

Dated: _____

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	APPENDIX D - FORM OF ADVANCE PAYMENT GUARANTEE	ERROR! BOOKMARK NOT DEFINED.
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I. FORM OF CONTRACT

[Text in brackets [] is for guidance purpose and should be deleted in the final text]

This CONTRACT (hereinafter called the “Contract”) is made the *[number]* day of the month of *[month]*, *[year]*, between, on the one hand, **Council for Development and Reconstruction** (hereinafter called the “Client”) and, on the other hand, *[name of Consultant]* (hereinafter called the “Consultant”).

*[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 this Contract, namely, *[name of member]* and *[name of member]* (hereinafter called the “Consultant”).]*

WHEREAS

- (a) The Client has requested the Consultant to provide certain consulting services as defined in this Contract (hereinafter called the “Services”);
- (b) 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 this Contract;
- (c) The Client has received *[or has applied for]* funds from the Agence Française de Développement (the “AFD”) toward the cost of the Services and intends to apply a portion of these funds to eligible payments under this Contract, it being understood that (i) payments by the AFD will be made only at the request of the Client and upon approval by the AFD; (ii) such payments will be subject, in all respects, to the terms and conditions of the agreement between the Client and the 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:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The General Conditions of Contract (including Attachment 1 “AFD Policy – Corrupt and Fraudulent Practices – Social and Environmental Responsibility);
 - (b) The Special Conditions of Contract;
 - (c) 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 Advance Payment Guarantee.

In the event of any inconsistency between the documents, the following priority order shall prevail: the Special Conditions of Contract; the General Conditions of Contract, including

Attachment 1; Appendix A; Appendix B; Appendix C and Appendix D. Any reference to this Contract shall include, where the context permits, a reference to its Appendices.

2. The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:
 - (a) The Consultant shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) The Client shall make payments to the Consultant in accordance with the provisions of the Contract.

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

For and on behalf of the [Council for Development and Reconstruction](#)

[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 *[insert the name of the Joint Venture]*

[Name of the lead member]

[Authorized Representative on behalf of a Joint Venture]

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

II. GENERAL 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:
- a) "**Applicable law**" means the laws and any other instruments having the force of law in the Client's country, or in such other country as may be specified in the **Special Conditions of Contract (SCC)**, as they may be issued and in force from time to time.
 - b) "**AFD**" means *Agence Française de Développement* (AFD).
 - c) "**Client**" means the implementing agency that signs the Contract for the Services with the selected Consultant.
 - d) "**Consultant**" means a legally-established professional consulting firm or entity selected by the Client to provide the Services under the signed Contract.
 - e) "**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 General Conditions (GCC), the Special Conditions (SCC), and the Appendices).
 - f) "**Day**" means a calendar day unless indicated otherwise.
 - g) "**Effective Date**" means the date on which the Contract comes into force and effect pursuant to Clause GCC 11.
 - h) "**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.
 - i) "**Foreign Currency**" means any currency other than the currency of the Client's country.
 - j) "**GCC**" means these General Conditions of Contract.
 - k) "**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.
 - l) "**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 taken into account in the technical evaluation of the Consultant's Proposal.
 - m) "**Local Currency**" means the currency of the Client's country.

- n) **"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.
 - o) **"Party"** means the Client or the Consultant, as the case may be, and **"Parties"** means both of them.
 - p) **"SCC"** means the Special Conditions of Contract by which the GCC may be amended or supplemented but not over-written.
 - q) **"Services"** means the work to be performed by the Consultant pursuant to the Contract, as described in **Appendices A and B** of the Contract.
 - r) **"Subconsultants"** means an entity to whom/which the Consultant subcontracts any part of the Services while remaining solely liable for the execution 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 language specified in the **SCC**, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of the Contract.
- 5 **Headingd** 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 GCC 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 in the **SCC**.
- 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 **SCC**.
- 7 **Location** 7.1 The Services shall be performed at such locations as are specified in **Appendix A** hereto and, where the location of a particular task is not so specified, at such locations, whether in the Client's country or elsewhere, as the Client may approve.
- 8 **Authority of member in charge** 8.1 In case the Consultant is a Joint Venture, the members hereby authorize the lead member specified in the **SCC** 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.
- 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 in the **SCC**.

- | | | | |
|----|--|------|--|
| 10 | Corrupt and Fraudulent Practices, and Social and Environmental Responsibility | 10.1 | AFD requires compliance with its policy in regard to corrupt and fraudulent practices, social and environmental responsibility as set forth in Attachment 1 to the GCC. |
|----|--|------|--|

B. Commencement, Completion, Modification and Termination of Contract

- | | | | |
|----|--|--------|---|
| 11 | Effectiveness of Contract | 11.1 | The Contract shall come into force and effect on the date (the " Effective Date ") of the Client's notice to the Consultant instructing the Consultant to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SCC have been met. |
| 12 | Termination of Contract for failure to become effective | 12.1 | If the Contract has not become effective within such time period after the date of Contract signature as specified in the SCC, either Party may, by not less than twenty two (22) days written notice to the other Party, declare the Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto. |
| 13 | Commencement of Services | 13.1 | The Consultant shall confirm availability of Key Experts and begin carrying out the Services not later than the number of days after the Effective Date specified in the SCC . |
| 14 | Expiration of Contract | 14.1 | Unless terminated earlier pursuant to Clause GCC 19 hereof, the Contract shall expire at the end of such time period after the Effective Date as specified in the SCC . |
| 15 | Entire agreement | 15.1 | 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. |
| 16 | Modifications or variations | 16.1 | 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. |
| | | 16.2 | In cases of substantial modifications or variations, the prior written consent of AFD is required. |
| 17 | Force Majeure | 17.1 | <u>Definition:</u> |
| | | 17.1.1 | 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, confiscation or any other action by government agencies.

17.1.2 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, Subconsultants 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.

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

17.2 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.

17.3 Measures to be taken:

17.3.1 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.

17.3.2 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.

17.3.3 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.

17.3.4 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:

- a) Cease its activities and demobilize, in which case the Consultant shall be reimbursed for additional costs they reasonably and necessarily incurred, and, if required by the Client, the costs related to the reactivation of the Services; or
- b) Continue with the Services to the extent reasonably possible, in which case the Consultant shall continue to be paid under the terms of the Contract and be reimbursed for additional costs reasonably and necessarily incurred.

17.3.5 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 GCC 48 and 49.

18 Suspension

18.1 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.

19 Termination

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

19.1 By the Client:

19.1.1 The Client may terminate the Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause. 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 sixty (60) days' written notice in case of the event referred to in (e); and at least five (5) days' written notice in case of the event referred to in (f):

- a) 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 GCC 18;
- b) 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;
- c) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Sub-Clause GCC 49.1;
- d) 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;
- e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate the Contract;
- f) If the Consultant fails to confirm availability of Key Experts.

19.1.2 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.

19.2 By the Consultant:

19.2.1 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 in paragraphs (a) through (d) of this Sub-Clause:

- a) If the Client fails to pay any money due to the Consultant pursuant to the Contract and not subject to dispute pursuant to Sub-Clause GCC 49.1 within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue;
- b) 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;
- c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GCC 49.1;
- d) 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.

19.3 Cessation of rights and obligations:

Upon termination of the Contract pursuant to Clauses GCC 12 or GCC 19 hereof, or upon expiration of the Contract pursuant to Clause GCC 14, 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 GCC 22, (iii) the Consultant's obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GCC 25, and (iv) any right which a Party may have under the Applicable law.

19.4 Cessation of Services:

Upon termination of the Contract by notice of either Party to the other pursuant to Sub-Clauses GCC 19.1 or GCC 19.2, 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. With respect to the documents prepared by the Consultant and equipment and materials furnished by the Client, the Consultant shall proceed as provided, respectively, by Clauses GCC 27 or GCC 28.

19.5 Payment upon termination:

19.5.1 Upon termination of the Contract, the Client shall make the following payments to the Consultant:

- a) Remuneration for Services satisfactorily performed prior to the effective date of termination, other expenses incurred and, for unit prices (time-based), reimbursable expenditures for expenditures actually incurred prior to the effective date of termination; and pursuant to Clause 42;

- b) In the case of termination pursuant to paragraphs (d) and (e) of Sub-Clause GCC 19.1.1, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the Contract, including the cost of the return travel of the Experts.

C. Obligations of the Consultant

20 General

20.1 Standard of performance:

20.1.1 The Consultant shall perform the Services and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to the Contract or to the Services, as a faithful adviser to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with third parties.

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

20.1.3 The Consultant may subcontract part of the Services to an extent and with such Key Experts and Subconsultants as may be approved in advance by the Client. Notwithstanding such approval, the Consultant shall retain full responsibility for the Services. The Consultant shall not subcontract the whole of the Services.

20.2 Law applicable to Services:

20.2.1 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 and Subconsultants, comply with the Applicable law.

20.2.2 Throughout the execution of the Contract, the Consultant shall comply with the import of goods and services prohibitions in the Client's country.

20.2.3 The Client shall notify the Consultant in writing of relevant local customs, and the Consultant shall, after such notification, respect such customs.

21 Conflict of interests

21.1 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.

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

21.2.1 The payment of the Consultant pursuant to GCC F (Clauses GCC 41 through 46) shall constitute the Consultant's only payment in connection with the Contract and, subject to Sub-Clause GCC 21.1.3, 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 Subconsultants, as well as Experts and agents of either of them, similarly shall not receive any such additional payment.

21.2.2 Furthermore, if the Consultant, as part of the Services, has the responsibility of advising the Client on the procurement of goods, works, plants, consulting services or non-consulting services, the Consultant shall comply with the Client's applicable regulations, and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the Client.

21.3 Consultant and affiliates not to engage in certain activities:

Unless otherwise indicated in the **SCC**, 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.

21.4 Prohibition of conflicting activities:

The Consultant shall not engage, and shall cause its Experts as well as its Subconsultants 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.

21.5 Strict duty to disclose conflicting activities:

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

22 Confidentiality

22.1 Except with the prior written approval of the Client, the Consultant and the Experts 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 make public the recommendations formulated in the course of, or as a result of, the Services.

23 Liability of the Consultant

23.1 Subject to additional provisions, if any, set forth in the **SCC**, the Consultant's liability under the Contract shall be as determined under the Applicable law.

24 Insurance to be taken out by the Consultant

24.1 The Consultant (i) shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at its (or the Subconsultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage specified in the **SCC**, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid. The Consultant shall ensure that such insurance is in place prior to commencing the Services as stated in Clause GCC 13.

25 Accounting, inspection and auditing

25.1 The Consultant shall keep, and shall make all reasonable efforts to cause its Subconsultants to keep, accurate and systematic

accounts and records in respect of the Services in such form and detail as will clearly identify relevant time changes and costs.

- 25.2 The Consultant shall permit and shall cause its Subconsultants to permit, AFD and/or persons appointed by AFD to inspect the Site and/or all accounts and records relating to the performance of the Contract and the submission of the Proposal to provide the Services, and to have such accounts and records audited by auditors appointed by AFD if requested by AFD. The Consultant's attention is drawn to Clause GCC 10 which provides, inter alia, that acts intended to materially impede the exercise of AFD's inspection and audit rights provided for under this Sub-Clause GCC 25.2 constitute a prohibited practice subject to Contract termination.
- 26 Reporting obligations**
- 26.1 The Consultant shall submit to the Client the reports and documents specified in **Appendix A**, in the form, in the numbers and within the time periods set forth in the said Appendix.
- 27 Proprietary rights of the Client in reports and records**
- 27.1 Unless otherwise indicated in the **SCC**, all reports and relevant data and information such as maps, diagrams, plans, databases, other documents and software, supporting records or material compiled or prepared by the Consultant for the Client in the course of the Services shall be confidential and become and remain the absolute property of the Client. The Consultant shall, not later than upon termination or expiration of the Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Consultant may retain a copy of such documents, data and/or software but shall not use the same for purposes unrelated to the Contract without prior written approval of the Client.
- 27.2 If license agreements are necessary or appropriate between the Consultant and third parties for purposes of development of the plans, drawings, specifications, designs, databases, other documents and software, the Consultant shall obtain the Client's prior written approval to such agreements, and the Client shall be entitled at its discretion to require recovering the expenses related to the development of the program(s) concerned. Other restrictions about the future use of these documents and software, if any, shall be specified in the **SCC**.
- 28 Equipment, vehicles and materials**
- 28.1 Equipment, vehicles and materials made available to the Consultant by the Client, or purchased by the Consultant wholly or partly with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of the Contract, the Consultant shall make available to the Client an inventory of such equipment, vehicles and materials and shall dispose of such equipment, vehicles and materials in accordance with the Client's instructions. While in possession of such equipment, vehicles and materials, the Consultant, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.
- 28.2 Any equipment or materials brought by the Consultant or its Experts into the Client's country for the use either for the project or personal use shall remain the property of the Consultant or the Experts concerned, as applicable.

D. Consultant's Experts and Subconsultants

- 29 Description of Key Experts**
- 29.1 The title, 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**.
- 29.2 In case of unit prices (time-based) and if required to comply with the provisions of Sub-clause GCC 20.1, adjustments with respect to the estimated time-input of Key Experts set forth in **Appendix B** may be made by the Consultant by a written notice to the Client, provided (i) that such adjustments shall not alter the original time-input estimates for any individual by more than 10% or one week, whichever is larger; and (ii) that the aggregate of such adjustments shall not cause payments under the Contract to exceed the ceilings set forth in Sub-Clause GCC 41.1.
- 29.3 In case of unit prices (time-based) and if additional work is required beyond the scope of the Services specified in **Appendix A**, the estimated time-input for the Key Experts may be increased by written agreement between the Client and the Consultant. In case where payments under the Contract exceed the ceilings set forth in Sub-Clause GCC 41.1, the Parties shall sign a Contract amendment.
- 30 Replacement of Key Experts**
- 30.1 Except as the Client may otherwise agree in writing, no changes shall be made in the Key Experts.
- 30.2 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.
- 31 Approval of additional Key Experts**
- 31.1 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.
- 31.2 In case of unit price (time-based) Contract, the rate of remuneration payable to such new additional Key Experts shall be based on the rates for other Key Experts position which require similar qualifications and experience.
- 32 Removal of Experts or Subconsultants**
- 32.1 If the Client finds that any of the Experts or Subconsultant 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 or Subconsultants have engaged in corrupt or fraudulent practice while performing the Services, the Consultant shall, at the Client's written request, provide a replacement.

- 32.2 In the event that any of the Key Experts, Non-Key Experts or Subconsultants 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.
- 32.3 Any replacement of the removed Experts or Subconsultants shall possess better qualifications and experience and shall be acceptable to the Client.
- 33 Replacement / removal of Experts - Impact on payments**
- 33.1 In case of unit price (time-based) Contract, except as the Client may otherwise agree, (i) the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Experts provided as a replacement shall not exceed the remuneration which would have been payable to the Experts replaced or removed.
- 33.2 In case of lump-sum Contract, the Consultant shall bear all costs arising out of or incidental to any removal and/or replacement of such Experts.
- 34 Working hours, overtime, leave, etc. (time-based Contract only)**
- 34.1 Working hours and holidays for Experts are set forth in **Appendix A**. To account for travel time to/from the Client's country, Experts carrying out Services inside the Client's country shall be deemed to have commenced or finished work in respect of the Services such number of days specified in **Appendix A** before their arrival in, or after their departure from, the Client's country.
- 34.2 The Experts shall neither be entitled to be paid for overtime nor to take paid sick leave or vacation leave except as specified in **Appendix A**, and the Consultant's remuneration shall be deemed to cover these items.
- 34.3 Any taking of leave by the Experts shall be subject to the prior approval of the Consultant who shall ensure that absence for leave purposes will not delay the progress and or impact an adequate supervision of the Services.
- E. Obligations of the Client**
- 35 Assistance and exemption**
- 35.1 Unless otherwise specified in the **SCC**, the Client shall use its best efforts to:
- a) Assist the Consultant with obtaining work permits and such other documents as shall be necessary to enable the Consultant to perform the Services;
 - b) Assist the Consultant with promptly obtaining, for the Experts and, if appropriate, their eligible dependents, all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Client's country while carrying out the Services under the Contract;
 - c) Facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Experts and their eligible dependents;
 - d) Issue to officials, agents and representatives of the government all such instructions and information as may

- be necessary or appropriate for the prompt and effective implementation of the Services;
- e) Assist the Consultant and the Experts and any Subconsultants employed by the Consultant for the Services with obtaining exemption from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a legal entity in the Client's country according to the Applicable Law in the Client's country;
 - f) Assist the Consultant, any Subconsultants and the Experts of either of them with obtaining the privilege, pursuant to the Applicable law in the Client's country, of bringing into the Client's country reasonable amounts of Foreign Currency for the purposes of the Services or for the personal use of the Experts and of withdrawing any such amounts as may be earned therein by the Experts in the execution of the Services;
 - g) Provide to the Consultant any such other assistance as may be specified in the **SCC**.
- 36 Access to project site** 36.1 The Client warrants that the Consultant shall have, free of charge, unimpeded access to the project site in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to the project site 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 any Subconsultants or the Experts.
- 37 Change in the Applicable Law related to taxes and duties** 37.1 If, after the date of the Contract, there is any change in the Applicable Law in the Client's country with respect to taxes and duties 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 GCC 41.1.
- 38 Services, facilities and property of the Client** 38.1 The Client shall make available to the Consultant and the Experts, for the purposes of the Services and free of any charge, the services, facilities and property described in the Terms of Reference (**Appendix A**) at the times and in the manner specified in the above mentioned **Appendix A**.
- 38.2 In case that such services, facilities and property shall not be made available to the Consultant as and when specified in **Appendix A**, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Consultant for the performance of the Services, (ii) the manner in which the Consultant shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Consultant as a result thereof pursuant to Clause GCC 41.

- 39 Counterpart personnel**
- 39.1 The Client shall make available to the Consultant free of charge such professional and support counterpart personnel, to be nominated by the Client with the Consultant's advice, if specified in **Appendix A**.
- 39.2 If counterpart personnel are not provided by the Client to the Consultant as and when specified in **Appendix A**, the Client and the Consultant shall agree on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Client to the Consultant as a result thereof pursuant to Clause GCC 41.
- 39.3 Professional and support counterpart personnel, excluding Client's liaison personnel, shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant that is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the Client shall not unreasonably refuse to act upon such request.
- 40 Payment obligation**
- 40.1 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 GCC F below.
- F. Payment to the Consultant**
- 41 Ceiling amount (time-based) or Contract price (lump-sum)**
- 41.1 In case of unit price (time-based) Contract, an estimate of the cost of the Services is set forth in **Appendix C** (Contract Price(s)). Payments under the Contract shall not exceed the ceilings in Foreign Currency and in Local Currency specified in the **SCC**. For any payments in excess of the ceilings, an amendment to the Contract shall be signed by the Parties referring to the provision of the Contract that evokes such amendment.
- 41.2 In case of a lump-sum Contract, the Contract price is fixed and is set forth in the **SCC**. The Contract price breakdown is provided in **Appendix C**. Any change to the Contract price can be made only if the Parties have agreed to the revised scope of Services pursuant to Clause GCC 16 and have amended in writing the Terms of Reference in **Appendix A**.
- 42 Remuneration and reimbursable expenses (unit price, time-based only)**
- 42.1 The Client shall pay to the Consultant (i) remuneration that shall be determined on the basis of the time actually spent by each Expert in the performance of the Services after the commencement date of the Services or after any other date as the Parties shall agree in writing; and (ii) other expenses including reimbursable expenses that are actually and reasonably incurred by the Consultant in the performance of the Services.
- 42.2 All payments shall be at the rates set forth in **Appendix C**.
- 42.3 Unless the **SCC** provides for the price adjustment of the remuneration rates, said remuneration shall be fixed for the duration of the Contract.
- 42.4 The remuneration rates shall cover: (i) such salaries and allowances as the Consultant shall have agreed to pay to the Experts as well as factors for social charges and overheads (bonuses or other means of profit-sharing shall not be allowed as an element of overheads), (ii) the cost of backstopping by home office staff not included in the Experts' list in **Appendix B**, (iii) the

Consultant's profit, and (iv) any other cost unless otherwise specified in the **SCC**.

- 43 Taxes and duties** 43.1 The Consultant, Subconsultants and Experts are responsible for meeting any and all tax liabilities arising out of the Contract unless it is stated otherwise in the **SCC**.
- 43.2 As an exception to the above and as stated in the **SCC**, all local identifiable indirect taxes (itemized and finalized at Contract negotiations) are reimbursed to the Consultant or are paid by the Client on behalf of the Consultant.
- 44 Currency of payment** 44.1 Any payment under the Contract shall be made in the currency(ies) of the Contract.
- 45 Mode of billing and payment** 45.1 Billings and payments in respect of the Services shall be made as follows:
- a) Advance payment: Within the number of days as specified in the **SCC** after the Effective Date, the Client shall pay to the Consultant an advance payment as specified in the **SCC**. Unless otherwise indicated in the **SCC**, an advance payment shall be made against the submission of a bank guarantee acceptable to the Client in an amount (or amounts) and in a currency (or currencies) specified in the **SCC**. Such guarantee (i) is to remain effective until the advance payment has been fully set off, and (ii) is to be in the form set forth in **Appendix D**, or in any other form that the Client shall have approved in writing. The advance payments will be set off by the Client in installments as specified in the **SCC** until the said advance payments have been fully set off.
 - b) The itemized invoices (unit price-time-based): As soon as practicable and not later than fifteen (15) days after the end of each calendar month during the period of the Services, or after the end of each time interval otherwise indicated in the **SCC**, the Consultant shall submit to the Client, in duplicate, itemized invoices, accompanied by the receipts or other appropriate supporting documents, of the amounts payable pursuant to Clauses GCC 44 and GCC 45 for such interval, or for any other period indicated in the **SCC**. Separate invoices shall be submitted for expenses incurred in Foreign Currency and in Local Currency. Each invoice shall show remuneration and other expenses (including reimbursable expenses) separately. The Client shall pay the Consultant's invoices within sixty (60) days from the receipt by the Client of such itemized invoices and of the supporting documents. Only the portion of an invoice that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized, the Client may add or subtract the difference from any subsequent payments.
 - c) The lump-sum installment payments: The Client shall pay the Consultant within sixty (60) days after the receipt by the Client of the deliverable(s) and the cover invoice for the related lump-sum installment payment. The payment can be withheld if the Client does not approve the submitted deliverable(s) as satisfactory in which case the Client shall provide comments to the Consultant within the same sixty (60) days period. The Consultant shall thereupon promptly

make any necessary corrections, and thereafter the foregoing process shall be repeated.

- d) The final payment: The final payment under this Clause shall be made only after the final report and a final invoice, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the Client. The Services shall be deemed completed and finally accepted by the Client and the final report and final invoice shall be deemed approved by the Client as satisfactory ninety (90) calendar days after receipt of the final report and final invoice by the Client unless the Client, within such ninety (90) calendar day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final invoice. The Consultant shall thereupon promptly make any necessary corrections, and thereafter the foregoing process shall be repeated. Any amount that the Client has paid or has caused to be paid in accordance with this Clause in excess of the amounts payable in accordance with the provisions of the Contract shall be reimbursed by the Consultant to the Client within thirty (30) days after receipt by the Consultant of notice thereof. Such claim for reimbursement shall be made by the Client within twelve (12) calendar months after receipt by the Client of the final report and the final invoice that the Client has approved in accordance with the above.
- e) All payments under the Contract shall be made to the accounts of the Consultant specified in the **SCC**.
- f) With the exception of the final payment under (d) above, payments neither constitute acceptance of the Services nor relieve the Consultant of any obligations hereunder.

46 Interest on delayed payments and damages

- 46.1 Interest on delayed payments: If the Client had delayed payments beyond fifteen (15) days after the due date stated in Sub-Clause GCC 45.1 (b) or (c), interest shall be paid to the Consultant on any amount due by, not paid on, such due date for each day of delay at the annual rate stated in the **SCC**.
- 46.2 Damages: If the Consultant fails to comply with the Contract requirements, the Client shall be entitled to apply damages as stated in the **SCC**. The total amount of the damages shall not exceed 10% of the Contract amount

G. Fairness and Good Faith

47 Good faith

- 47.1 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

48 Amicable Settlement

- 48.1 The Parties shall seek to resolve any dispute amicably by mutual consultation.
- 48.2 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 GCC 49.1 shall apply.

49 Dispute resolution

49.1 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 **SCC**.

ATTACHMENT 1: 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 auditors 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 Person² 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;

² Means any Person whether natural² 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 Person² means: 3
- 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:

- a) 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;
- b) Implement environmental and social risks mitigation measures when specified in the environmental and social management plan (ESMP) provided by the Contracting Authority.

² Means any natural Person other than a Public Officer.

ATTACHMENT 2: Eligibility Criteria

Eligibility in AFD-Financed Procurement

1. Financing allocated by AFD to a Contracting Authority has been entirely untied since 1st 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 Persons² (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;
 - 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 Means any Person whether natural⁴ 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).

- 2.7 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.

III. SPECIAL CONDITIONS OF CONTRACT

[Notes in brackets are for guidance purposes only and should be deleted in the final text of the signed contract]

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1.1(a) and 3.1 Applicable law	The Contract shall be construed in accordance with the law of Lebanon.
4.1 Language	The language is: English.
6.1 and 6.2 Communications	<p>The addresses are:</p> <p>Client : Council for Development and Reconstruction (CDR) Tallet El Serail. P.O.Box 11-3170 Beirut Central District - Lebanon</p> <p>Attention : President of CDR Facsimile : +961 1 981252/3 E-mail (where permitted): NA</p> <p>Consultant : _____ _____ Attention : _____ Facsimile : _____ E-mail (where permitted) : NA</p>
8.1 Authority of Member in Charge	The Lead Member on behalf of the JV is _____
9.1 Authorized Representatives	<p>The Authorized Representatives are:</p> <p>For the Client: The President of CDR _____</p> <p>For the Consultant: <i>[name, title]</i> _____</p>
11.1 Effectiveness of Contract	The Contract shall come into force at the date of Contract signature. There is no effectiveness condition.
12.1	Not applicable

13.1 Commencement of Services	Commencement of Services: the Services shall start on Date of Contract Notification to the Consultant.
14.1 Expiration of Contract	10 weeks or such other time period as the parties may agree in writing, The services duration will end on June 15 th , 2026.
16.1 Modification or Variations	At any stage, the Client reserves the right to instruct the Consultant to execute all or any part of the services described in the term of reference.
20.c	The Consultant shall provide the Client with a Performance Security of ten (10%) percent of the price of the Contract, in the form of a bank guarantee issued by a Lebanese bank or a Foreign bank through a corresponding bank located in Lebanon to be submitted within fifteen (15) days following the effective date. A specimen of the required bank guarantee for good performance of the contract is attached as Appendix E. This guarantee shall be finally released to the Consultant upon Final Acceptance of the Consultant's services by the Client which shall take place upon the issue of the Defects Liability Certificate related to the works being supervised.
20.5 Law Applicable to Services	The Consultant shall not provide services or goods originating from a country subject to an embargo from Lebanon, France, the European Union, or the United Nations.
23.1 Liability of the Consultant	<p>Limitation of the Consultant's Liability towards the Client:</p> <p>(a) Except in the case of gross negligence or willful misconduct on the part of the Consultant or on the part of any person or a firm acting on behalf of the Consultant in carrying out the Services, the Consultant, with respect to damage caused by the Consultant to the Client's property, shall not be liable to the Client:</p> <p style="padding-left: 40px;">(i) for any indirect or consequential loss or damage; and</p> <p style="padding-left: 40px;">(ii) for any direct loss or damage that exceeds 2 times the total value of the Contract;</p> <p>(b) This limitation of liability shall not</p> <p style="padding-left: 40px;">(i) affect the Consultant's liability, if any, for damage to Third Parties caused by the Consultant or any person or firm acting on behalf of the Consultant in carrying out the Services;</p> <p style="padding-left: 40px;">(ii) be construed as providing the Consultant with any limitation or exclusion from liability which is prohibited by the Applicable law.</p>
24.1 Insurance to be Taken out by the Consultant	<p>The Consultant shall provide evidence to the Client showing that such insurance has been taken out and maintained with an Insurance Company licensed by the Ministry of Commerce of the Republic of Lebanon and that the current premiums therefore have been paid.</p> <p>The insurance coverage against the risks shall be as follows:</p> <p style="padding-left: 40px;">(a) Professional liability insurance, with a minimum coverage of US\$ 500,000</p> <p style="padding-left: 40px;">(b) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Republic of Lebanon by the Consultant or its Experts or its Personnel or Sub-consultants.</p>

	<p>(c) Client’s liability and workers’ compensation insurance for the Consultant’s Experts and Sub-consultants in accordance with the relevant provisions of the Applicable law in the Client’s country, as well as, with respect to such Experts, any such life, health, accident, travel or other insurance as may be appropriate; and</p> <p>(d) Insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultant’s property used in the performance of the Services, and (iii) any documents prepared by the Consultant in the performance of the Services.</p>
<p>27.1 Proprietary Rights in Reports and Records</p>	<p><i>any exceptions to proprietary rights provision : Not Applicable</i></p>
<p>27.2</p>	<p>The Consultant shall not use these All documents such as maps, specifications, plans, calculations, records or materials acquired, compiled or prepared by the Consultant in the performance of this contract for purposes unrelated to this Contract without the prior written approval of the Client.</p>
<p>35.1 (a) through (f) Assistance and Exemptions</p>	<p>Clause GCC 35.1.only (a) and (c) are Applicable</p>
<p>35.1(g)</p>	<p><i>[List here any other assistance to be provided by the Client. If there is no such other assistance, delete this Sub-clause SCC 35.1(g).]</i></p>
<p>41 Ceiling Amount or Contract Price</p>	<p>The contract is: [a lump-sum price contract OR a unit price (time-based) contract]</p> <p>The Contract price (lump-sum) or the ceiling (time-based) is: _____ <i>[insert amount and currency for each currency] [indicate: inclusive or exclusive] of local indirect taxes.</i></p> <p>The amount of such taxes is _____ <i>[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.]</i></p> <p>The Contract price is: U.S\$inclusive of local taxes detailed as follows:</p> <p>The Consultant fees (lump sum) is: U.S\$</p> <p>- contract price (excluding local taxes & VAT):</p> <p>-Local Taxes:</p> <p>-11% VAT applicable on local taxes:</p>
<p>42.1 Remuneration and Reimbursable Expenses (not</p>	<p>Time actually spent per month shall be calculated as the number of days actually worked by the expert divided by twenty-two (22) working days. One working day (billable) shall not be less than eight (8) working (billable) hours.</p>

applicable to lump-sum contract)	
42.3	<p>Price adjustment on the remuneration applies</p> <p>Payments for remuneration made in foreign currency shall be adjusted as follows:</p> <p>(1) Where the Consultant is not a national of Lebanon or a non-Lebanese company, Remuneration paid in foreign currency on the basis of the rates set forth in Appendix C shall be adjusted every 12 months (and, the first time, with effect for the remuneration earned in the 13th calendar month after the date of the Contract Effectiveness date) by applying the following formula:</p> $R_f = R_{fo} \times \frac{I_f}{I_{fo}}$ <p>where R_f is the adjusted remuneration; R_{fo} is the remuneration payable on the basis of the remuneration rates (Appendix C) in foreign currency; I_f is the official index for salaries in the country of the foreign currency for the first month for which the adjustment is supposed to have effect; and I_{fo} is the official index for salaries in the country of the foreign currency for the month of the date of the Contract.</p> <p>2) Where the Consultant is a national of Lebanon or a company established in accordance with the laws of Lebanon, remuneration paid in foreign currency pursuant to the rates set forth in Appendix C shall be adjusted in accordance with the terms of the Decree of Cost of Living in all respect.</p>
43.1 and 43.2 Taxes and Duties	The Consultant shall pay all taxes, duties and charges imposed on them under the laws of the Republic of Lebanon.
45.1(a) Mode of Billing and Payment	An optional advance payment of an amount of 15% of the correspondent contract value shall be made by the Consultant within 15 days after the contract signature upon a request for payment against a bank guarantee issued by a Lebanese bank or a Foreign bank through a corresponding bank located in Lebanon; the advance payment will be set off by the Client by percentage deduction of 25% from each payment until the advance payment has been fully set off.
45.1(b) (time-based)	Not Applicable
45.1 (c) (lump-sum)	<i>Payments shall be made as follows:</i>

	<table border="1" data-bbox="352 203 1380 645"> <tr> <td data-bbox="352 203 533 300"></td> <td data-bbox="533 203 1126 300"></td> <td data-bbox="1126 203 1380 300"></td> </tr> <tr> <td data-bbox="352 300 533 371">After signing the contract</td> <td data-bbox="533 300 1126 371">advance payment</td> <td data-bbox="1126 300 1380 371">15 % of contract value</td> </tr> <tr> <td data-bbox="352 371 533 450"></td> <td data-bbox="533 371 1126 450">Interim Payment (on approval of the final audit report)</td> <td data-bbox="1126 371 1380 450">75 % of contract value</td> </tr> <tr> <td data-bbox="352 450 533 546"></td> <td data-bbox="533 450 1126 546">Balance Payment as retention (on Submission of provisional and final acceptance certificate of the services)</td> <td data-bbox="1126 450 1380 546">10% of contract value</td> </tr> <tr> <td data-bbox="352 546 533 645"></td> <td data-bbox="533 546 1126 645">Total</td> <td data-bbox="1126 546 1380 645"><Total contract value for design and supervision ></td> </tr> </table> <p data-bbox="352 712 1380 779">- A retention amounting of ten (10%) percent of the amount due to the consultants shall be made by the Client from each payment (except the advance payment).</p>				After signing the contract	advance payment	15 % of contract value		Interim Payment (on approval of the final audit report)	75 % of contract value		Balance Payment as retention (on Submission of provisional and final acceptance certificate of the services)	10% of contract value		Total	<Total contract value for design and supervision >
After signing the contract	advance payment	15 % of contract value														
	Interim Payment (on approval of the final audit report)	75 % of contract value														
	Balance Payment as retention (on Submission of provisional and final acceptance certificate of the services)	10% of contract value														
	Total	<Total contract value for design and supervision >														
45.1(e)	<p data-bbox="352 842 580 875">The accounts are:</p> <p data-bbox="352 909 568 943"><i>[insert account].</i></p>															
46.1 Interest on Delayed Payments	<p data-bbox="352 1010 1390 1077">The penalty shall be calculated based on a simple annual interest rate equal to Libor +2% applied on the due amount for the period of delay.</p>															
46.2 Damages	<p data-bbox="352 1144 1390 1211">500\$ per Day for late delivery of each expected Deliverable shall be due by the Consultant as Delay Damages</p>															
49. Dispute Resolution	<p data-bbox="352 1245 1390 1379">Any dispute, controversy, or claim arising out of or relating to this Contract, or breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the “United Nations Commission on International Trade Law UNCITRAL Arbitration Rules as at present in force.”</p> <p data-bbox="352 1413 1187 1447">Arbitration shall be heard by an Arbitral Tribunal of one (3) arbitrator.</p> <p data-bbox="352 1480 1075 1514">The place of arbitration shall be: in Cairo Arbitration Center.</p> <p data-bbox="352 1547 1390 1648">According to the law No.440 dated 29/7/2002, the validity of this clause is subject to the issuing of a decree by the Council of Ministers authorizing the Employer to go to arbitration for the settlement of disputes.</p> <p data-bbox="352 1659 1390 1715">In the absence of such decree, the disputes between the parties shall be deferred to the competent Lebanese Courts.</p>															
	<p data-bbox="352 1783 1031 1816"><u>Miscellaneous.</u> In any arbitration proceeding hereunder:</p> <p data-bbox="424 1850 1390 1917">(a) proceedings shall, unless otherwise agreed by the Parties, be held in Cairo Arbitration Center.</p> <p data-bbox="424 1951 1350 1984">(b) the English language shall be the official language for all purposes; and</p>															

	<p>(c) the decision of the arbitrator shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.</p>
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IV. APPENDICES

APPENDIX A – Terms of Reference

[This Appendix shall include the final Terms of Reference (TORs) (on the basis of Section 7 of the RFP) worked out by the Client and the Consultant during the negotiations; dates for completion of various tasks; location of performance for different tasks; detailed reporting requirements; Client's input, including counterpart personnel assigned by the Client to work on the Consultant's team; specific tasks that require prior approval by the Client.

For time-based Contracts, specify: the hours of work for Key Experts; travel time to/from the Client's country; entitlement, if any, to leave pay; public holidays in the Client's country that may affect Consultant's work; etc.]

APPENDIX B – Consultant's technical Proposal including methodology and Key Experts

[Insert the Consultant's technical Proposal and finalized 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

[Insert the tables with the Breakdown of the Contract Price(s). The tables shall be based on forms FIN-2, FIN-3 and FIN-4 of the Consultant's financial Proposal and shall reflect any changes agreed at the Contract negotiations, if any.

For time-based Contract, all reimbursable expenses shall be reimbursed at actual cost, unless otherwise explicitly provided in this Appendix, and in no event shall reimbursement be made in excess of the Contract amount. Conditions and allowance for reimbursable expenses to be eligible for payment may be specified here consistently with SCC 42.1.]

APPENDIX D – Form of advance payment guarantee

[see Sub-Clauses GCC 45.1(a) and SCC 45.1(a)]

Bank guarantee for advance payment

_____ [Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: Council for Development and Reconstruction -Tallet El Serail - P.O. Box 11/3170- Beirut, Lebanon [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]², 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.

5

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, or on the _____ day of _____ 2____², whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date

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]

² 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.

² Insert the expected expiration date⁶. In the event of an extension of the time for completion of the Contract, the Client would need to request an extension of this guarantee from the Guarantor. Such request must be made in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Client might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Client's written request for such extension presented to the Guarantor before the expiry of the guarantee. Such an extension will be granted only once."

**APPENDIX E –SPECIMEN OF BANK GUARANTEE
FOR GOOD PERFORMANCE**

To: Council for Development and Reconstruction
Tallet el Serail
P.O.Box 11/3170
Beirut, Lebanon

Dear Sirs,

Re: Guarantee for Good Performance of the Contract No ____

According to the terms of Contract, dated _____, for the supply of _____ concluded between the Council for Development and Reconstruction (hereafter called “the CDR”), and

(hereafter called “the Supplier”),

the Supplier undertakes to produce a Bank Guarantee for good performance of the contract of __% of the value of the contract or the amount of _____.

We hereby unconditionally and irrevocably guarantee jointly and severally with the Supplier and as primary obligator and not as surety merely, to pay the CDR upon its first demand and without cavil or argument, any amounts up to the maximum of _____ in cash, in the event according to the binding opinion of the CDR, the Supplier would fail to comply with his contractual obligations.

The failure of the Supplier to comply with his contractual obligations shall be advised to us in writing with a copy to the Supplier.

This guarantee shall enter into effect on the date of entry into force of the contract and shall remain in full force and effect until _____ (*insert date*) or upon the issuing of the Acceptance Certificate by the CDR, whichever comes later.

DATE:

SIGNATURE OF BANK: