

**REQUEST FOR PROPOSAL (RFP) FOR PROVISON OF AUDIT SERVICES**

**TENDER NUMBER: AWF/ET/09**

**AFRICAN WILDLIFE FOUNDATION**

**SIMIEN MOUNTAINS NATIONAL PARK HEADQUARTERS, DEBARK-ETHIOPIA**

**Email:** **simiensprocurement@awf.org**

**Tender Closing Date & Time: October 11, 2019 at 1700hrs (East Africa Time)**

**September, 2019**

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# **SECTION I-INVITATION TO TENDER**

 **September 24, 2019**

Dear Sir/Madam,

**RE: REQUEST FOR PROPOSAL FOR PROVISION OF AUDIT SERVICES**

## 1.1 Invitation to tender

African Wildlife Foundation (AWF) is an international Non-Governmental Organization (NGO) working to advance the conservation and management of Simien Mountains National Park (SMNP) in collaboration with the Ethiopian Wildlife Conservation Authority (EWCA) and other stakeholders.

AWF is seeking an external audit firm to undertake a financial expenditure compliance verification of the co-financing agreement between EWCA and AWF.

1.2 The request for proposals (RFP) includes the following documents:

Section I: Letter of invitation

Section II: Information to Auditors

Section III: Terms of Reference

**Yours sincerely,**

**DIRECTOR OF FINANCE**

# **SECTION II-INFORMATION TO THE CONSULTANTS**

## 2.1 Introduction

AWF will select a firm from among those who submit their proposals, in accordance with the method of selection detailed in this tender document.

* + 1. The consultant is invited to submit a Technical Proposal and a Financial Proposal, as specified in 2.5.1 below. The proposals will be the basis for Contract negotiations and ultimately for a signed Contract with the selected firm.
		2. Consultants must familiarize themselves with local conditions and take them into account in preparing their proposal. To obtain first-hand information on the assignment and on the local conditions, consultant is encouraged to liaise with the AWF regarding any information that they may require before submitting a proposal.
		3. Please note that
1. the costs of preparing the proposal and of negotiating the Contract, including any visit to the AWF are not reimbursable as a direct cost of the assignment; and

(ii) AWF is not bound to accept the proposal submitted.

* + 1. AWF’s employees, committee members, board members and their relative (spouse and children) are not eligible to participate.
		2. This tender document is not chargeable.
	1. Clarification and Amendment of RFP Documents
		1. Consultants may request a clarification of any of the RFP documents only up to Three [3] days before the proposal submission date. Any request for clarification must be sent in writing by electronic mail to AWF at Simienprocurement @awf.org. AWF in return, will respond by electronic mail.
		2. At any time before the submission deadline, AWF may for any reason, whether at his own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda and published advertised to the general public.
	2. Preparation of Technical Proposal
		1. The Consultants proposal shall be written in English language.
		2. In preparing the Technical Proposal, consultant is expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
		3. While preparing the Technical Proposal, consultants must give particular attention to the following:
			1. It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
			2. Proposed professional staff must as a minimum, have the experience indicated in terms of reference, preferably working under conditions similar to those prevailing in Ethiopia.
		4. The Technical Proposal shall provide the following information;
			1. A brief description of the firm’s organization and an outline of recent experience on assignments of a similar nature. For each assignment the outline should indicate the profiles of the staff proposed, duration of the assignment, contract amount and firm’s involvement.
			2. Any comments or suggestions on the Terms of Reference, a list of services and facilities to be provided by the AWF.
			3. A description of the methodology and work plan for performing the assignment.
			4. The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member and their timing.
			5. CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last five (5) years.
			6. A detailed description of the proposed methodology and staffing
			7. Any additional information requested in the terms of reference

**The Technical Proposal shall not include any financial information.**

* 1. **Preparation of Financial Proposal**
		1. In preparing the Financial Proposal, consultant is expected to take into account the requirements and conditions outlined in the RFP documents. It lists all costs associated with the assignment including; (a) remuneration for staff and; (b) reimbursable expenses such as subsistence, transportation, services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys. If appropriate these costs should be broken down by activity.
		2. The Financial Proposal should clearly identify as a separate amount, the local taxes, duties, fees, levies and other charges imposed under the law on the consultants.
		3. Consultants shall express the price of their services in Ethiopian Birr.
	2. **Submission, Receipt, and Opening of Proposal**
		1. Both the Technical and Financial Proposal should be sent as separate emails electronically to AWF at **SimienProcurement@awf.org** with a subject line of ‘**TENDER NO. AWF/ET/09/TECH and TENDER NO. AWF/ET/09/FP respectively’.**
		2. After the deadline for submission of proposal, the Proposals shall be promptly evaluated by the opening committee.
	3. **Proposal Evaluation General**
		1. From the time the bids are opened to the time the Contract is awarded, if any consultant wishes to contact AWF on any matter related to his proposal, he should do so in writing at **SimienProcurement@awf.org**. Any effort by the firm to influence AWF in the proposal evaluation, proposal comparison or Contract award decisions may result in the rejection of the consultant’s proposal.
	4. **Evaluation of Technical Proposal**
		1. **Technical Evaluation**

The evaluation committee appointed AWF shall evaluate the proposal on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria as follows:

|  |  |  |
| --- | --- | --- |
|  | **EVALUATION CRITERIA** | **MARKS** |
|  | **PRELIMINARY EVALUATION****Particulars of eligible tenderer**1. **The tenderer shall provide the following mandatory requirements (failure to submit the mandatory requirements will lead to disqualification from the tender process – preliminary evaluation)**
	1. Copy of certificate of Registration/Incorporation
	2. Copy of valid Tax Compliance Certificate
	3. Copy of certificate of registration with Ethiopia Accounting and Auditing board
 |  |
|  | **TECHNICAL EVALUATION CRITERIA FOR PROVISION OF EXTERNAL AUDIT SERVICES** | **Max Points** |
| 1 | Relevant specific Experience of the tenderer related to the assignment (documentary evidence should be given) | 30 |
|  | 1. The firm shall give a brief description of the firm’s organization, an outline of recent experience and recent experience on assignments of a similar nature
2. Demonstrate working knowledge, competencies and experience in carrying out similar/related services. The Audit firm is expected to have at least 10 years audit experience

For the assignment the outline should indicate the profiles of the staff proposed, duration of the assignment, contract amount and firm’s involvement. |  |
| 2 | Methodology and Approach | 40 |
|  | Understanding of and conformity to the terms of reference1. The firm will demonstrate their understanding of and conformity to the terms of reference and may give any comments or suggestions on the Terms of Reference, a list of services and facilities to be provided by AWF.
2. The tenderer shall give a description of the methodology and work plan for performing the assignment, give details on the approach, strategies, design and methodology to ensure effectiveness of the assignment and a comprehensive time schedule for undertaking the assignment presented in a Gantt chart
 |  |
| 3 | Human Resource Capacity | 30 |
|  | 1. The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member and their timing.
2. CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments
3. Estimates of the total staff input (professional and support staff- time) needed to carry out the assignment and time proposed for each professional staff team member.
 |  |
|  | **TOTAL** | **100** |

To qualify for financial evaluation, the bidder must score a minimum of 70%. Only tenders that meet the minimum score will have their financial proposal evaluated.

* 1. **Opening and Evaluation of Financial Proposal**
		1. The evaluation committee will determine whether the financial proposal is complete (i.e. whether the consultant has costed all the items of the corresponding Technical Proposal and correct any computational errors. The cost of any un-priced items shall be assumed to be included in other costs in the proposal. In all cases, the total price of the Financial Proposal as submitted shall prevail.
		2. The formulae for determining the Financial Score (Sf) shall, unless an alternative formula is indicated in the Appendix “ITC”, be as follows: - Sf = 100 X FM/F where Sf is the financial score; FM is the lowest priced financial proposal and F is the price of the proposal under consideration. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T=the weight given to the Technical Proposal: P = the weight given to the Financial Proposal; T + p = I).

## Negotiations

* + 1. The aim is to reach agreement on all points and sign a contract.
		2. Negotiations may include a discussion of the Technical Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. AWF and firm will then work out final Terms of Reference. The agreed work plan and final Terms of Reference will then be incorporated and form part of the Contract.
		3. Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, AWF expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.
		4. The negotiations will conclude with a review of the draft form of the Contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a contract.

## Award of Contract

* + 1. The Contract will be awarded following negotiations.
		2. The selected firm is expected to commence the assignment on the date and at the location specified the terms of reference.
		3. AWF may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
		4. AWF shall give prompt notice of the termination to the tenderers and on request give its reasons for termination.
		5. To qualify for contract awards, the tenderer shall have the following:
1. Necessary qualifications, capability experience, services, equipment and facilities to provide what is being procured.
2. Legal capacity to enter into a contract for procurement.
3. Shall not be insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing.
4. Shall not be debarred from participating in public procurement.
	1. **Confidentiality**
		1. Information relating to evaluation of proposal and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposal or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the Contract.
	2. **Corrupt or fraudulent practices and Ethics**
		1. AWF requires that the consultants observe the highest standards of ethics during the selection and award of the consultancy contract and also during the performance of the assignment.
		2. AWF will reject a proposal for award if it determines that the consultant recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.
		3. **Ethics**

It is a requirement that both AWF and prospective suppliers of goods, services and works observe the highest standards of ethics during the procurement and execution of contracts.

In pursuance of this policy, AWF requires that all bidders concerned take measures to ensure that no transfer of gifts, payments or other benefits to officials of AWF and/or procurement/management staff with decision making responsibility or influence.

**SECTION III – TERMS OF REFERENCE**

**A financial expenditure compliance verification of the co-financing agreement between EWCA and AWF**

|  |  |
| --- | --- |
| **Assignment Title:** | An Expenditure Verification of EWCA-AWF Co-financing and Advisory Agreement |
| **Estimated level of effort:** | Seven (7)working days  |
| **Location**: | The office of EWCA in Debark with meeting(s) with EWCA in Addis Ababa and home office-based work. |
| **Duration of assignment:** | 16th-24th October 2019 |
| **Deadline for the Submission of the Report of the Auditor:** | 27th October, 2019 |

1. **Background**

The Government of Germany, through KfW, committed to provide the Government of Ethiopia (GoE) with a Financial Cooperation Grant to improve the conservation and management of protected areas including the Simien Mountain National Park (SMNP), a World Heritage Site, and the surrounding lands. Subsequently, the Ethiopian Wildlife Conservation Authority (EWCA) and KfW signed Financing and Separate Agreements for the implementation of the project. The purpose of the Project is to effectively manage protected areas in collaboration and partnership with local communities and other stakeholders. This is to sustainably conserve the biodiversity and landscapes of priority protected areas and thus contribute to the conservation and the sustainable use of biodiversity and to the improved livelihood of the local population and economic development of the country.

The Separate Agreement foresees, among others, that EWCA shall enter into a Co-financing and Advisory Contract with the *African Wildlife Foundation* (AWF) for support to the management of the Simien Mountain National Park (SMNP) (“The Project”). EWCA and AWF signed this Co-financing and Advisory contract (“The Co-Financing Agreement”) on 27 April 2018 to formalise the terms of the work to be conducted by AWF as the implementing partner for this project. The completion period was fixed as 12 months with an option to extend the overall implementation period to altogether up to 60 months.

In line with the Separate Agreement, the Co-Financing Agreement foresees an Audit after 12 months. AWF intends to contract an external auditor to examine (in compliance with KfW Terms of Reference for Auditors for Disbursement) if the payments have been managed properly.

1. **Objectives**

The objective of this assignment is to examine the factual information in the Financial Reports of AWF and compare it with the terms and conditions of the Co-Financing Agreement by applying certain agreed-upon procedures.

This assignment is a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE 3000 – revised) as published by the *International Auditing and Assurance Standards Board* of the *International Federation of Accountants*. This standard requires that the auditor/ practitioner will plan and perform procedures considered necessary to obtain reasonable assurance about the Subject Matter Information (including on-site visits with inspection of goods purchased under the agreement).

1. **Baseline information**

AWF is responsible for providing sufficient and adequate information, both financial and non-financial, in support of the Financial Reports, which makes it possible to verify that the expenditures claimed by AWF have occurred and are accurate and eligible.

AWF is responsible for preparing “Procurement Plans” and “Working Plans” and to get them approved by EWCA and KfW prior to spending of project resources. “Statements of Expenses” (SOE) are to be prepared in connection with each Withdrawal Application.

AEF is responsible for preparing “Progress and Financial Reports”. These quarterly reports (starting three months from the commencement of services) on the progress of the Project are to be submitted to EWCA and KfW. All circumstances are to be reported that might jeopardize the achievement of the overall objective, the Project purpose and the results. The progress reports are also intended to give an overview of the financial status of the project (expenditures, foreseen expenditures).

AWF accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon AWF, providing access to AWF’s staff and its accounting and bookkeeping system and underlying accounts and records.

The Auditor will be responsible to performing the assignment in accordance with the terms and conditions of the Consultancy Service Contract, as presented in Attachment 1.

1. **Tasks**

The Auditor is expected to carry out the following tasks:

* Establish whether AWF has maintained adequate documentation of all relevant transactions;
* Verify whether the expenditures submitted to EWCA/KfW are eligible for financing under the grant, and identification of any ineligible expenditures;
* Assess the adequacy of accounting and internal control systems to monitor expenditures and ensure safeguarding of grant-financed assets;
* Provide advice to AWF how to improve financial procedures.

In performing the tasks, the Auditor will adhere to the procedures described in Attachment 2 containing a list and guidelines for the specific procedures to be performed.

1. **Deliverables and time schedule**

The Auditor is expected to deliver a report on this expenditure verification which should describe the purpose, the agreed-upon procedures and the factual findings of the engagement in sufficient detail in order to enable EWCA/KfW and AWF to understand the nature and extent of the procedures performed by the Auditor and the factual findings reported. This report should be provided by the Auditor to AWF by the deadline given above.

If considered pertinent, the Auditor shall prepare a “Statement on Internal Control” that should include the following:

* give comments and observations on the accounting records systems and controls examined during the course of the engagement (with special focus on the account(s) under this grant).
* identify specific deficiencies and areas of weakness in systems and controls that have come to the auditor's attention and make recommendations for their improvement (in accounting, information technology or computer systems, on which the auditor’s comments are necessary to ensure effective controls).
1. **Requirements**

The Auditor is required to have the following skills and expertise:

* At least 10 years of relevant professional qualification and responsibilities in public and civil society sector audit practice and especially granting scheme;
* The Auditor and/or the firm is registered as a statutory auditor in the public register of Ethiopia and this register is subject to principles of public oversight as set out in the legislation of the country;
* The auditor has CPA (Certified public accountant);
* Financial Accounting knowledge and experience including Financial Analysis, Cost Accounting, Budgeting and Tax Compliance Expertise;
* Knowledge of National Accounting Standards (SKK) and SNRF and financial legal framework;
* Sufficient knowledge of relevant national laws, regulations and rules. This includes but is not limited to taxation, social security and labour regulations, accounting and reporting.
1. **Other Terms**

All communication and reporting will be conducted in English. Travel expenses in connection with this assignment have to be approved by AWF beforehand and will be reimbursed against receipts and following travel reimbursement rules of AWF.

**Applications:** Please send a financial offer and CV of the proposed staff in English to AWF by e-mail to **SimienProcurement@awf.org** by **17:00 CET on October 11, 2019.**

Questions with regard to this Terms of Reference can be addressed to AWF by e-mail until October 9, 2019. This call for proposals is a closed call for national of the republic of Ethiopia The evaluation of the financial offers will be done based on AWF procurement rules. The preferred shortlisted candidate will be contacted by AWF by **October 14, 2019** to clarify outstanding issues and/or to start the contracting process.

Further information attached to these ToR:

**Attachment 1:** Draft Consultancy Services Contract.

**Attachment 2:** Procedures, Evidence and Documentation.

# **Attachment 1: Draft Consultancy Services Contract**



**REF**: insert PO Number

**CONSULTANCY AGREEMENT**

This Agreement (the ’Agreement’) is made and entered into as of **July 5, 2019** (the ‘Effective Date’) by and between **The African Wildlife Foundation** hereinafter referred to as (‘AWF’), of AWF Conservation center Karen, P.O Box 310 00502 Karen and **insert consultant name** (hereinafter referred to as ‘Consultant’) of insert address.

**IT IS HEREBY AGREED AS FOLLOWS**

1. Services

AWF hereby engages the Consultant as an independent contractor, on a non-exclusive basis, to perform the services set forth in Attachment 1, Terms of Reference (the ’Services’), as may be modified from time to time, which is incorporated herein. During the term of this Agreement, AWF shall have the right to request reasonable changes to the scope of the Services. All changes shall be in writing and signed by authorized representatives of the parties. The Consultant shall receive technical direction from **insert name and designation** or his/her designee as authorized in writing.

1. Term of Agreement

The term of this Agreement shall begin on **insert date** and terminate on **insert date.** This Agreement may not be amended, supplemented, or modified in any respect except by written agreement signed by both Parties.

1. Remuneration

In consideration of the Consultant’s performance of the Services, the Consultant shall receive up insert amount only **(xxxx)** as consultancy fees and all other consultancy related fees**.**

* 1. **INVOICING**

Consultant shall send all invoices via electronic mail to Accounts payable at accountspayable@awf.org, copying insert address. Invoices should contain name and address, place of performance, days/period worked, description of work performed in previous period and any payment instructions. Invoices must include accurate instructions for payment via wire transfer.

**AWF will not be responsible for losses caused by inaccurate banking information provided by Consultant.**

Invoices shall be submitted in the following schedule:

|  |  |  |
| --- | --- | --- |
| **Payments** | **Deliverable** |  **Currency** |
|  |   |   |
|  |  |  |
| **Total** |  |   |

* 1. **PAYMENT TERMS**

AWF will make payments within 15 days from the date of receiving the invoice together with all accepted deliverable. Payment will be made via wire transfer.

Below is the Beneficiary’s Bank Account Details for payments to be made under this agreement.

|  |  |
| --- | --- |
| Account Name |  |
| Account Number |  |
| Bank Name |  |
| Bank Branch |  |
| Account Type |  |
| Swift / Sort code |  |
| Other Details: Your Postal Address |  |
| Contact person and telephone |  |
| Consultant’s PIN |  |

* 1. **DEDUCTIONS**

Consultant will be responsible for any and all withholding taxes relating to compensation received until this Agreement is terminated. AWF will withhold tax at 5% and remit to the Ethiopia Revenue Authority as and when it falls due.

1. TERMS OF REFERENCE
2. **ASSIGNMENT:** As per the Terms of reference (Appendix 1).

1. **DELIVERABLES:** Consultant shall be responsible for deliverables as detailed in Terms of reference hereinafter referred to as Appendix 1.
2. **CONTACTS:** The Consultant’s Contact at AWF is **insert contact** or his designee as authorized in writing.
3. **WORK PERMIT:** It will be the responsibility of the Consultantto ensure that they are legally permitted to work in the Ethiopia.
4. CONFLICT OF INTEREST
	1. **NON COMPETE**

CONSULTANT agrees that during contracted period by AWF, and for at least 12 months thereafter, CONSULTANT will not without prior written approval by AWF:

* + 1. Contact or provide assistance to any other person or organization with the intent to soliciting or otherwise inducing an AWF employee to terminate their employment with AWF.
		2. Contact any current or former donor of funder of AWF on behalf of another person or organization for the purposes of soliciting funds for purposes directly related to AWF’s operations, unless that donor or funder has issued a public call for proposals, or is an existing donor or funder of the person or organization for which CONSULTANT intends to solicit support.
	1. **PERSONAL GAIN**

CONSULTANT ’s representative will not, under any circumstances, take any form of compensation or other non-monetary gain relating to work performed under this Agreement, other than de minimis promotional or similar material, or conspire to direct any form of compensation or other non-monetary gain to related parties (herein defined to includes family and acquaintances at closer than arms-length), from any AWF vendor, or other professional contact or parties associated with the work under this Agreement.

Any discounts, compensation, gifts, or other goods or services of value offer by a current or prospective vendor should be immediately redirected to AWF’s benefit. Any case wherein it is determined that CONSULTANT or a related party knowingly received compensation or other non-monetary gain as outlined above, or failed to report knowledge of this practice by other AWF employees or vendors, shall immediately and without recourse nullify this agreement retroactive to the date such instance is first proven to have taken place (“NULLIFICATION DATE”).

Should this be the case, CONSULTANT expressly agrees to pay monetary damages to AWF equal to the value of any related benefits received (or approximate value thereof), plus the total amount of net salary paid to CONSULTANT in good faith by AWF under this Agreement for any period after the NULLIFICATION DATE.

1. OTHER TERMS AND CONDITIONS
	1. **HEADINGS**

Headings contained in this Agreement are for reference purposes only and should not be incorporated into this Agreement and shall not be deemed to be any indication of the meaning of the clauses to which they relate.

* 1. **INSURANCE**

CONSULTANT shall procure adequate professional indemnity insurance covering negligence in the performance of the CONSULTANT’ s services hereunder claim and shall maintain such cover for claims received within a period of one year following the provision of services under this Agreement.

* 1. **ASSIGNMENT**

Consultant ’s services under this Agreement relate specifically to her talents. Thus, Consultant shall not have the right to assign or otherwise subcontract the work required under this Agreement.

* 1. **WAIVER**

No omission or delay on the part of any party in exercising its rights under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by any party of any such right preclude the further or other exercise thereof or the exercise of any other right which it may have.

* 1. **SEVERABILITY**

If at any time any one or more of the provisions hereof is or becomes illegal, invalid or unenforceable in any respect under the applicable laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof, nor the legality, validity or enforceability of such provision under the applicable laws of any other jurisdiction, shall in any way be affected or impaired thereby.

* 1. **RIGHTS CUMULATIVE**

All rights granted to either of the parties shall be cumulative and no exercise by either of the parties of any right under this Agreement shall restrict or prejudice the exercise of any other right granted by this Agreement or otherwise available to it.

* 1. **INTELLECTUAL PROPERTY**

All documents, information, software, data, including GIS data, and materials produced under this agreement by the CONSULTANT is sole and exclusive property of AWF.

* 1. **JURISDICTION**

This Agreement shall be governed by the Ethiopian Laws.

* 1. **ARBITRATION**

In the event of any dispute arising between the parties touching on any provision of this Agreement the parties shall use their best endeavours in good faith to resolve it and if this should fail, the parties shall refer the dispute to mediation and if this should fail, then to arbitration under Ethiopia Laws. In so referring the parties will first agree that the determination of the arbitrator shall be final and binding upon them as though rendered by a court of law and enforceable in any court having jurisdiction over the same and as far as the law permits, shall not be subject to appeal.

* 1. **COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one instrument.

* 1. **SPECIAL REMEDIES**

The parties each agree that if either party violates this Agreement, they may each, in addition to damages, be subject to injunctive relief in relation to the specific terms and provisions of this Agreement. The parties mutually acknowledge that it may be difficult to ascertain the exact amount of damages for violation of these provisions, but that damages would be of a continuing nature and that the parties would each suffer harm and injury by reason of such violations. Consequently, the parties consent to court enforcement of the specific language of this Agreement.

1. TERMINATION OF THE CONTRACT

The Client may terminate this Contract by written notice of termination to the Consultant, to be given after the occurrence of any of the events specified in this Clause;

* 1. if the Consultant does not remedy a failure in the performance of his obligations under the Contract within seven (7) days after being notified or within any further period as the Client may have subsequently specified in writing;
	2. if the Consultant becomes insolvent or bankrupt;
	3. if, as a result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than fourteen (14) days; or
	4. if the Consultant, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
1. DECLARATIONS
	1. **ENTIRETY**

This Agreement supersedes any prior oral or written agreements between the parties relating to CONSULTANT ’s relationship with AWF. Further, this Agreement constitutes the entire Agreement. This Agreement can only be modified in writing with signature by both parties.

* 1. **NATURE**

The parties acknowledge and agree that the foregoing accurately describes the relationship being established, and the parties agree that this Agreement is fair and reasonable.

**IN WITNESS WHEREOF** this Agreement has been executed the day and year first above written.

|  |  |  |
| --- | --- | --- |
| **For**  **Consultant :** |  |  |
|  |  |  |
| **Name****Title** *(Signed for and on behalf of the Consultant)* |  | Date |
| **For AWF**:  |  |  |
| **Name****Title***(Signed for and on behalf of AWF)* |  | Date |



Appendix 2: Procedures, Evidence and Documentation**.**

**Section A: Listing of the specific procedures to be performed**

**1 General Procedures**

**1.1 Terms and Conditions of the Co-Financing Agreement**

The Auditor obtains an understanding of the terms and conditions of the Co-Financing Agreement by reviewing the Agreement and its annexes and other relevant information, and by inquiry of AWF. The Auditor obtains a copy of the original Agreement (signed by the AWF and EWCA) with its annexes. The Auditor obtains and reviews the Financial Reports, The Procurement Plans, Working Plans, Statement of Expenses, Withdrawal Applications and other relevant information.

**1.2 Financial Report and Withdrawal Applications and Statement of Expenses**

The Auditor verifies that AWF’s Withdrawal Applications and Statement of Expenses and the Financial Reports comply with the conditions of the Co-Financing Agreement.

The Auditor verifies that all expenditures are made in line with the stipulations made in the Co-Financing Agreement and have been approved by EWCA/KfW prior to spending.

The structure of the Financial Reports should be the same as that of the contractually approved budget and KfW formats provided to AWF.

**1.3 Rules for Accounting and Record keeping**

The Auditor examines – when performing the procedures listed below – whether AWF has complied with the rules to keep full accurate and systematic records, accounts and time sheets of respective articles of the Co-Financing Agreement**.**

**1.4 Reconciling the Financial Report to AWF’s Accounts and Records**

The Auditor reconciles the information in the invoice and the Financial Report to AWF’s ac-counts and records in respect of the services.

**1.5 Exchange Rates**

The Auditor verifies that amounts of fees and other expenditure incurred in a currency other than the Euro have been converted in accordance with the conditions of the Co-Financing Agreement.

**2 Procedures to verify conformity of Expenditures with the Budget and Analytical Review**

**2.1 Budget of the Co-Financing Agreement**

The Auditor carries out an analytical review of the expenditure headings in the Financial Report and verifies that the budget in the Financial Report corresponds with the budget of the Agreement (authenticity and authorization of the initial budget) and that the fees and expenditure incurred were indicated in the budget of the Co-Financing Agreement.

**2.2 Amendments to the Budget of the Co-Financing Agreement**

The Auditor verifies whether there have been amendments to the budget of the Co-Financing Agreement. Where this is the case the Auditor verifies that the conditions of the Co-Financing Agreement were respected.

**3 Procedures to verify Fees and Expenditure**

**3.1 Eligibility of Fees**

The Auditor verifies the eligibility of the fees with the terms and conditions of the Co-Financing Agreement set out below.

The Auditor verifies that the fees charged to the Co-Financing Agreement comply with the fixed rates of the Agreement (where applicable).

**3.1.1 Verification of time charged to the Co-Financing Agreement**

**3.1.1.1 Timesheets for AWF’s Personnel**

The Auditor verifies that:

(1) Time (number of days / hours worked) charged to the Co-Financing Agreement for AWF’s personnel cover time periods that fall within the implementation period, has been correctly calculated and corresponds to timesheets approved and maintained by AWF in accordance with the criteria for records of the Co-Financing Agreement and has not already been charged in a previous Financial Report and invoice submitted by AWF for payment by other donors/institutions.

(2) The Auditor reviews variances between estimated time for AWF’s personnel in the budget and actual time charged and obtains explanations from AWF for substantial variances. In cases of substantial overruns, the Auditor verifies that such overruns have been properly authorized.

**3.1.1.2 AWF's personnel are employed or contracted by AWF and approved by EWCA/KfW**

The Auditor verifies that:

(1) AWF’s personnel for whom time has been charged to the Co-Financing Agreement was actually employed by AWF in the period covered by the timesheets. For this purpose, the Auditor examines supporting evidence such as payroll information, employment contracts. For personnel contracted by AWF (e.g. independent experts and free-lancers) the Auditor examines supporting evidence such as contracts. The Auditor also verifies that there is agreement with EWCA that contracted personnel can work for the Co-Financing Agreement. The Auditor examines supporting evidence relating to the charging of fees and payment (e.g. invoices and proof of payment), CVs and signed addendums to the Co-Financing Agreement.

(2) AWF has informed EWCA/KfW of all experts other than key experts for whom time has been charged to the Co-Financing Agreement and that there is a written approval for the appointment and replacement of these experts.

**3.1.1.3 AWF’s personnel have carried out activities for the Co-Financing Agreement**

**(**1) In addition to the procedures under 3.1.1.1 and 3.1.1.2 the Auditor obtains evidence, including where available independent, third-party evidence, that time charged for AWF’s personnel pertains to Co-Financing Agreement activities. Evidence includes any other document which the Auditor considers appropriate, like:

• Monitoring and evaluation reports and memo's obtained from EWCA/KfW;

• Reports, data compiled and documents drawn up by AWF and approved by EWCA/KfW (as well as other activity reports and its supporting documents and memo's produced by AWF;

• Correspondence of AWF and AWF’s personnel with project staff, the Project Manager and EWCA/KfW staff.

(2) The Auditor reports that evidence was obtained which makes it plausible that the time charged for AWF’s personnel relates to Co-Financing Agreement activities. In case the Audi-tor has not been able to obtain such evidence, the reasons must be specified in the Auditor's report.

**3.2 Eligibility of Incidental Expenditure**

The Auditor verifies the eligibility of incidental expenditure claimed with the terms and conditions of the Co-Financing Agreement**.**

**3.2.1 Verification of Incidental Expenditure –Verification Procedures and Criteria**

(1) Incidental expenditure actually incurred

The Auditor verifies that incidental expenditure was actually incurred by and pertains to AWF and that it had not already been charged in a previous Financial Report and invoice **submit-ted** by AWF for payment by EWCA/KfW. For this purpose, the Auditor examines supporting documents (e.g. invoices) and proof of payment. The Auditor also examines proof of work done, goods received or services rendered and he/she verifies the existence of assets where applicable. The Auditor verifies whether it is plausible that incidental expenditure was necessary for the implementation of the Co-Financing Agreement and that it had to be incurred for the Co-Financing Agreement activities by examining the nature of the expenditure with sup-porting documents. All incidental expenditure incurred should be declared and invoiced at actual cost.

(2) Covered by fee-rates

The Auditor verifies that incidental expenditure (including costs of office accommodation) is not already covered or supposed to be covered in the fee-rates for AFW’s personnel and personnel other than experts.

(3) Classification

The Auditor examines the nature of the costs and verifies that these costs have been classified as incidental expenditure in the Financial Report.

**3.2.2 Verification of Incidental Expenditure: Specific Verification Procedures for Per Diems based on the requirements as per the Co-Financing Agreement**

The Auditor verifies the eligibility of the total amounts of subsistence i.e. per diems declared in the Financial Report for AWF’s personnel who have performed missions requiring at least 8 hours away from their normal place of posting as set in rules and procedures of beneficiaries or subject to applicable National legislation of the country and the Co-Financing Agree-ment. More specifically the Auditor verifies that the transportation allowances and per diem amounts declared in the Financial Report and included in the Statement of Expenditures to personnel contracted or employed by AWF and related to missions which were required for and to the total number of days performed for these missions.

As per Co-Financing Agreement, AWF can pay transportation allowances and per diems up to the amount set forth by the Ethiopian Revenues and Customs Authority (ERCA) for non-taxable transportation allowance and per diem. The project has to follow the rules for the harmonization of DSA for donor-funded projects set forth by the Ministry of Finance and Economic Cooperation of the Federal Republic of Ethiopia (MoFEC) in co-ordination with the Development Assistance Group (DAG).

Per diem shall not be paid to beneficiaries (trainees) of training workshops and similar events. Meals and accommodation can be provided in such cases as in kind contribution.

**3.3 Verification of goods, services and works purchased**

The Auditor verifies that procurement rules have been followed for procuring goods, services and works.

The Auditor verifies that the goods, services and works have been delivered with the specifications made in the order (with respect to quantity and quality). Inspections of goods and assets will be carried out.

**Section B: Guidelines for Specific Procedures to be performed**

**1. Verification Evidence**

When performing the specific procedures listed in section A above, the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations.

The Auditor obtains verification evidence from these procedures to draw up his report of factual findings. Verification evidence is all information used by the Auditor in arriving at the factual findings and it includes the information contained in the accounting records underlying the Financial Report and other information (financial and non-financial).

**2. Verification of Fees and Expenditures**

The fees and expenditure claimed by AWF in the Financial Report are presented under the following headings: A. Expenses to be reimbursed as per agreed unit prices; B. Expenses to be reimbursed upon proof (against submission of corresponding vouchers). These headings shall be broken down into subheadings.

Fees and expenditure subheadings can be broken down into individual fee and expenditure items or classes of expenditure items with the same or similar characteristics. The form and nature of the supporting evidence (e.g. a timesheet, a contract, an invoice etc.) and the way fees and expenditure are recorded (e.g. computerized time recording, journal entries) vary with the type and nature of the fees and expenditure and the underlying actions or transactions. However, in all cases fees claimed must relate to the fee rates agreed in the budget (Statement of Costs in Annex 6 of the Co-Financing Agreement) and the time worked as at-tested to by the timesheets.

**3. Coverage of Verification of Fees and Expenditures**

The Auditor must carry out a complete and exhaustive verification of all the fees and all expenditure claimed on the invoice and in the Financial Report.

**4. Procedures to verify Fees and Expenditures**

The Auditor verifies the fees and the expenditure by carrying out procedures 3.1 and 3.3 listed in section A and reports all the factual findings and exceptions resulting from these procedures. Verification exceptions are all verification deviations found when performing the procedures set out in section A.

The Auditor quantifies the amount of the verification exception found and the potential impact on the EWCA/KfW contribution, should EWCA/KfW declare the fee or expenditure item(s) concerned ineligible. The Auditor reports all exceptions found including the ones of which he cannot quantify the amount of the verification exception found and the potential impact on the EWCA/KfW contribution. The Auditor reports all exceptions found including the ones of which he cannot measure the financial impact.