**COMMON MARKET FOR EASTERN AND**

**SOUTHERN AFRICA**



**SELECTION OF CONSULTANTS**

**Request for Proposals (Firms)**

Reference Number*:* CS/BF/01/10/1527(AO)-em/SM/nc

Engagement of an Audit Firm to undertake the audit of Grant funded Projects for financial years 2025 and 2026

**Issued on:** 6th August 2025

**Closing date:** 26th August 2025

For any queries on request for bids or for any question regarding the use of this template, please contact:

Head of Procurement,

COMESA Secretariat

Ben Bella Road, P.O. Box 30051,

Lusaka, Zambia  
Phone: +260 211 229725/32  
Fax: +260 211 225107

**Growing together, for Prosperity**

COMMON MARKET FOR EASTERN AND

**SOUTHERN AFRICA**



**السوق المشتركة**

**للشرق والجنوب الأفريقي**

**MARCHÉ COMMUN DE L’AFRIQUE ORIENTALE ET AUSTRALE**

**Tel : +260 211 229726/29**

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**Email : info@comesa.int**

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**COMESA Centre**

**Ben Bella Road**

**P O Box 30051**

**LUSAKA 10101**

**Zambia**

**OFFICE OF THE SECRETARY GENERAL**

Ref: CS/BF/01/10/1527(AO)-em/SM/nc Date: 6th August 2025

**Letter of Invitation (LoI)**

COMESAis inviting eligible firms to submit technical and financial proposals for the following services: Audit Firm to undertake the audit of Grant funded Projects for financial years 2025 and 2026 to be procured under the Contract reference number CS/ADMN/PROC/25-05-002/SM/nc.

1. The Terms of Reference defining the minimum technical requirements for these services are attached as Annex 1 to this RFP**.**
2. Your proposal must be presented as per Standard Proposal Forms attached as Annex 2 to this RFP in English language and be accompanied by copies of all the indicated supporting documents. If the supporting documents are not in English, these shall be accompanied by a certified translation into English.
3. Submission of the technical and financial proposals must be in a written form to the email addresses below clearly quoting the reference number as stated.
4. You are required to submit both your technical and financial proposals at the same time but in different folders/attachments. The Financial proposal should be in pdf and MUST be password protected. Do not disclose this password to anyone until we contact you to do so.
5. Only successful firms which shall score over and above 70% in the technical evaluation shall be invited to the opening of the financial proposals. The selection method to be used is the Quality Cost Based Selection (QCBS) using the 80/20 rule.
6. Your proposal should be addressed and submitted to: [***tenders@comesa.int***](mailto:tenders@comesa.int) ***and copied to procurement@comesa.int***
7. The deadline for submission of your proposal, to the addresses indicated in Paragraph 6 is: **26th August 2025 at 15:00 hours LUSAKA TIME.**
8. Proposals submitted by Fax or hardcopies are notacceptable.
9. It is not permissible to transfer this invitation to any other firm.
10. The Technical Proposal will be evaluated against the following criteria.

|  |  |  |
| --- | --- | --- |
| **No** | **Evaluation attribute** | **Percentage Points** |
| 1 | Understanding of the Audit Requirements (Responsiveness) | **10** |
| 2 | Specific Experience of the firm in carrying out similar assignments | **25** |
| 3 | Adequacy of the approach and methodology in responding to the Terms of Reference | **35** |
| 4 | Qualifications and Experience of proposed team  Audit Manager 10 marks  Team Leader 8 marks  Auditors 10 marks | **30** |
|  | **Total** | **100** |

The number of points to be given under each evaluation sub criteria for qualifications of Experts are:

|  |  |
| --- | --- |
| **Sub-criteria** | **Percentage from Total Number of Points Allocated to the Criteria** |
| (i) General Qualifications | 25% |
| (ii) Adequacy for the Project | 60 % |
| (iii) Experience in Region | 15 % |
| **Total** | **100 %** |

1. Your proposal should be submitted as per the following instructions, and in accordance with the Terms and Conditions of the Standard Contract attached as Annex 3 to this RFP:

(i) PRICES: The financial proposal shall be inclusive of all expenses deemed necessary by the Contractor for the performance of the Contract and **must not include**any of the following taxes in Procuring Entity Zambia: value added tax and social charges or/and income taxes on non-resident personnel’s fees and benefits.

(ii) EVALUATION AND AWARD OF CONTRACT:

The evaluation shall be based on the following attributes:

1. The overall responsiveness and quality of the proposal, clearly stating the understanding of the work to be performed;
2. Technical ability of the bidder to perform the required services;
3. The experience and reputation of the bidder as represented in the response and the quality of the references;
4. Cost of services. Fees and expenses will be particularly important factors when all other evaluation criteria are relatively equal.

The Technical proposal will be assigned a weight of 80% and the financial proposal will be weighted at 20%.

(iii) VALIDITY OF THE PROPOSAL: Your proposal should be valid for a period of 120 days from the date for deadline for submission indicated in Paragraph 7 above.

1. The assignment is expected to commence five (5) days after contract signing but not later than two weeks from the date of signature of the Contract.
2. Additional request for information and clarifications can be request, no later than 7 calendar days prior to the deadline indicated in the paragraph 7 above, from:

Procurement Unit

Common Market for Eastern and Southern Africa

Ground Floor, COMESA Centre, Ben Bella Road,

P.O. Box 30051, Lusaka – Zambia,

Telephone: +260 211 2297226/29.

Web: http://www.comesa.int

Email: procurement@comesa.int

**Contact person**: Niva Chokwe

**E-mail**: *NChokwe@comesa.int*

**ANNEXES:**

ANNEX 1: Terms of Reference

ANNEX 2: Technical Proposal Submission Forms

ANNEX 3: Financial Proposal Submission Forms

ANNEX 4: Standard Contract/Terms and Conditions

**Sincerely,**

**Signature***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

**Name:** Silver Mwesigwa

**Title**: Head of Procurement and General services Unit

**ANNEX 1: Terms of Reference**

**BACKGROUND**

1. The Common Market for Eastern and Southern Africa (COMESA) is one of the 8 Regional Economic Communities (RECs) recognised by the Africa Union. It consists of nineteen member States that have agreed to co-operate and promote regional integration through trade and investment development resources for the mutual benefit of their peoples.

1. The mission of COMESA is to achieve, over the long term, sustainable economic and social progress in member states through enhanced cooperation and integration in all fields of development, especially in trade, customs and monetary affairs, transport, communications and information, technology, industry and energy, gender, agriculture, environment and natural resources.

1. The work of COMESA is co-coordinated through a Secretariat which is headed by a Secretary General. The Secretary General has the responsibility to submit annual audited financial statements of the Secretariat to the Council of Ministers.

1. The financial statements of the Secretariat are prepared in accordance with the International Accounting Standards/Generally Accepted Accounting Practice, the Financial Rules and Regulations of COMESA and relevant Rules and Regulations of Cooperating Partners, as appropriate. The accounts are required to be audited by External Audit Firms registered with the relevant Accountancy Council of the country where the firms are based.

1. Pursuant to article 169 of the COMESA Treaty, External Auditors are appointed by the Council of Ministers on the recommendation of the Secretary General.

1. COMESA seeks the services of an audit firm to provide external audit services for the FY 2025 and FY 2026 .

**OBJECTIVE OF THE EXTERNAL AUDIT**

7. The objective of the external audit is to express a professional opinion on the Financial Statements of the Secretariat and Projects. These Financial Statements, among others, consist of the Income and Expenditure Account, Balance Sheet and Cash Flow Statement which show the financial position, surplus and cash flows for the year under review. They are also required to express a professional opinion on the soundness of the internal systems of control, compliance with the COMESA Rules and Regulations, compliance with the procedures in respect of Regular Budget and Extra Budgetary resources; and compliance with the applicable donor’s rules and regulations.

**AUDITING STANDARDS**

1. The external audit is carried out in accordance with International Standards on Auditing (ISA) and includes such tests and auditing procedures as the auditor considers necessary for the assignment.
2. Furthermore, regarding EU and other donor funded projects, the auditor will also perform the specific procedures according to Project Implementation Agreements. EU and AfDB specific requirements have been attached as Annexes I and II of this document.

**SCOPE OF WORK**

1. The auditor shall be required to:

* 1. Carry out tests of transactions as are necessary, in order to obtain an understanding of the accounting system, to assess its adequacy as a basis for the preparation of the financial statements and to establish whether adequate records have been maintained as required by the COMESA Financial Rules and Regulations; Financial Manual and applicable rules of the donors;

* 1. Conduct an in-depth and exhaustive review of the internal control systems to have sufficient knowledge of the procedures underpinning the systems, as contained in the COMESA Financial Rules and Regulations; Financial Manual and the applicable rules of the concerned donors;

* 1. Confirm that although responsibility for preventing irregularity and fraud, remains with the Secretariat, the audit has been planned so as to have a reasonable expectation of detecting material misstatements in the financial statements;

* 1. State the extent to which it has relied on the work of the Internal Audit;

* 1. Confirm that funds have been used in accordance with the COMESA Financial Rules and Regulations, Financial Manual, and the applicable rules of the concerned donors, Council decisions with due attention to economy and efficiency, and that they have only been used for the purposes for which they were intended for and in accordance with the conditions under which the funding was provided;

* 1. Confirm that Goods and services financed have been procured in accordance with sound procurement procedures spelled out in the COMESA Procurement Implementation Rules; Financial Rules and Regulations; Financial Manual and applicable rules of the donors;

* 1. Confirm that all necessary supporting documents, records and

accounts have been kept in respect of all activities;

* 1. Confirm that the Financial Statements have been prepared in accordance with International Accounting Standards/Generally Accepted Accounting Practice and give a true and fair view of the financial position of the Secretariat as at the end of the financial year; and

* 1. Confirm that where special accounts have been used, they have been maintained in accordance with the provisions of the relevant Memorandum of Understanding and Agreements.

1. The above-defined scope does not in any way restrict the audit procedures or the techniques that the auditor may wish to use in forming an opinion on the Financial Statements being audited.

**FINANCIAL STATEMENTS**

11. The Financial Statements, among others, include:

1. A Statement of Income and Expenditure;

1. A Balance Sheet reflecting the assets, liabilities and funding of the Secretariat t based on accrual basis;

1. A Statement of Cash Flow*;*

1. A summary of expenditures shown under the various budget lines and by Division/Section categories of expenditure, both for the current fiscal year and previous year’s figures;

1. The Accounting Policies Adopted and Explanatory Notes;

1. Summary of Fixed Assets; and

1. Where applicable, a Financial Report compliant with the terms and conditions of the cooperation agreement with the EU and other donors.

**AUDIT REPORT**

1. The auditor is expected to present two types of reports: An opinion on the Financial Statements prepared by the Secretariat and a Management Letter.

1. The opinion on the Financial Statements shall contain:

* 1. A professional opinion on the financial statements and supporting schedules as regard to their true and fair view;

* 1. Accounting standards and COMESA Financial Rules and Regulations that have been applied indicating the effect of any deviations from them;

* 1. The International Audit standards that were applied;

* 1. Whether the Cash Flow Statement and supporting schedules present fairly the cash receipts and disbursements of the funds and they were utilized for the purpose for which they were intended for; and

* 1. Include all other requirements of cooperating partners as stated in the various cooperating agreements.

1. The Management Letter, among others, shall contain:

* + 1. Comments and observations on the accounting records, systems and controls that were examined during the course of the audit;

* + 1. Specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;

* + 1. The degree of compliance of each of the co-operating partner funding and give comments, if any, on internal and external matters affecting such compliance;

* + 1. Matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the funding;

* + 1. Areas of risk that need to be flagged out to management; and

* + 1. Any other matters that the auditors consider pertinent to be brought to the attention of the Secretariat.

**AUDIT OF PROJECTS**

1. The scope of the audit of projects depends on the cooperation agreement signed between the cooperating partners and the Secretariat. The main Cooperating Partners of the Secretariat are the European Union, World Bank, African Development Bank, Foreign, Commonwealth & Development Office, etc. The audit requirements are stated in the various agreements that govern the funding and some of their requirements are the following:

* + 1. That the External Auditors have obtained an understanding of the terms and conditions governing the grant agreement. For example, in the case of EU funding, the External Auditors should comply with the General Procedures of the Contribution Agreement and its annexes;

* + 1. That the funds received have been used in accordance with the cooperation agreement. For example, in the case of EU funded projects, the auditor will have to perform specific procedures described in annex 1 to this document in order to verify the conformity of the expenditure to the Contribution Agreement and its annexes;

* + 1. That the accounts kept by COMESA are accurate and up to date;

* + 1. That COMESA keeps a double entry bookkeeping system;

* + 1. That the accounts and expenditure relating to the grant/cooperation agreement are easily identifiable and verifiable.

* + 1. That it is possible to reconcile the information in the Financial Report to COMESA’s accounting system and records (e.g. the trial balance, the general ledger accounts, …);

* + 1. That the correct exchange rates have been applied;

* + 1. That prior authorisation has been obtained from the donors on the use of contingency;

* + 1. That any identified bank interests have been properly reflected in the books of accounts;

* + 1. That the Secretariat has maintained the necessary supporting documents, records and accounts in respect of the project activities; and

* + 1. That the internal control systems of the organisation are comprehensive, sufficient and adequate.

1. The financial records maintained for projects are usually the following:

* 1. Cash Book;
  2. Financial ledgers;
  3. Bank Reconciliation Statements;
  4. Payments vouchers substantiated by support documentation;
  5. Interest earned on the bank account;
  6. The Assets Register; and
  7. Financial report (wherever applicable).

**17 AUDITORS EXPERIENCE AND QUALIFICATIONS**

17.1 The audit firm should be registered and have a license from a national or regional professional Accountancy Body. The firm should have relevant experience in accounting and auditing of development Projects, especially donor-funded operations.

17.2 The key audit team will comprise, at least:

1. An audit manager with at least 10 years of experience in auditing and with a sound knowledge of donor-financed Projects. In addition, he/she should be a member of a recognized accountancy professional body;

1. A team leader with at least a master’s degree in auditing/accounting or equivalent with minimum of 5 years’ experience in auditing; and

1. An assistant auditor with adequate experience and professional qualifications.

17.3 The key audit team :

1. Shall be completely impartial and independent from all aspects of management or financial interests of the organization; and

1. Shall not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as advisers or mentors for, or have any financial or business relationships with the organization.

**CONTRACT OF ENGAGEMENT**

1. A formal contract of engagement specifying the scope of audit shall be prepared and signed between the Secretariat and the Audit firm prior to the beginning of the assignment. The contract of engagement shall also clearly spell out the responsibilities of the two parties.

**FINANCIAL STATEMENTS**

The various Financial Statements to be audited together with estimated volume of transactions are stated hereunder:

|  | | **2025** | **2026** |
| --- | --- | --- | --- |
| **Item** | **Financial Statements** | **Estimated Budget/Expenditure** | **Estimated Budget/Expenditure** |
|  |  |  |  |
| **01** | **EUROPEAN UNION - EU** |  |  |
| 1 | Support to Air Transport Sector Development (SATSD) in the Eastern Africa, Southern Africa, and the Indian Ocean region (EA-SA-IO) programme | € 3,353,405.00 | € 1,715,680.00 |
| 2 | Enhancement of Governance and Enabling Environment in the ICT sector (EGEE-ICT) in the Eastern Africa, Southern Africa, and the Indian Ocean region (EA-SA-IO) programme | € 3,376,338.00 | N/A |
| 3 | COMESA Regional Enterprise Competitiveness and Access to Market Programme | € 2,742,670.55 | N/A |
| 4 | COMESA institutional Capacity Buidling Programme | € 2,654,881.48 | € 1,150,428.00 |
|  |  |  |  |
| **02** | **AFRICAN DEVELOPMENT BANK - AfDB** *in USD* |  |  |
| 5 | COMESA Support Towards Regional Pharmaceutical Sector Development | 4,091,355 | 1,796,920 |
|  |  |  |  |
| **03** | **WORLD BANK** *in USD* |  |  |
| 6 | COMESA RIFF | 2,508,000 | 1,895,153 |
| 7 | COMESA GLTFIP | 1,320,000 | 1,980,000 |
| 8 | COMESA ASCENT Program | 4,676,250 | 7,100,000 |
| 9 | COMESA IDEA Program | 2,437,850 | 2,437,850 |
|  |  |  |  |
| **04** | **Other Grants in USD except item 12** |  |  |
| 10 | COMESA Regional CBIT Project | 637,000 | N/A |
| 11 | Regional Food Balance Sheet II (RFBS) | 530,247 | 657,000 |
| 12 | Enhancing Regional Agriculture Commodity Trade | GBP310,000 | N/A |
| 13 | COMESA -EAC Horticulture Accelerator (CEHA) - ACTESA | 964,802 | 979,885 |
| 14 | Developing capacity in Migration | 72,000 | 72,000 |
|  | COMESA Monetary Institute | 957,000 | 980,000 |
|  | RAERESA | 205,060 | 250,000 |

**Annex I**

**EU funded projects: Specific procedures to be performed by the auditor(s)**

**GENERAL PROCEDURES**

**Terms and Conditions of the Contribution Agreement**

The Auditor obtains an understanding of the terms and conditions of the Contribution Agreement by reviewing the Contribution Agreement and its annexes and other relevant information, and by inquiry of the Beneficiary. The Auditor obtains a copy of the original Contribution Agreement (signed by the COMESA Secretariat (CS) and the European Union Delegation to Zambia and COMESA (EUD) with its annexes. The Auditor obtains and reviews the Report (which includes a narrative and a financial section) as per Article 2.1 of the General Conditions.

**Financial Report for the Contribution Agreement**

The Auditor verifies that the Financial Report complies with the minimum requirements set out by Article 2 of the General Conditions to the Contribution Agreement. More specifically, the Auditor verifies that:

* The Narrative and Financial Reports cover the Action as a whole, regardless of which part of it is financed by the European Union;
* The Financial Report complies with the structure of the budget for the action and is submitted in Euro;
* The level of detail in any report matches that of the Description of the Action and of the Budget for the Action;

**Rules for Accounting and Record keeping**

The Auditor examines – when performing the procedures listed in this Annex - whether CS has complied with the following rules for accounting and record keeping:

* The accounts kept by CS for the implementation of the Action must be accurate and upto-date;
* COMESA must have a double-entry book-keeping system;
* The accounts and expenditure relating to the Action must be easily identifiable and verifiable;
* The accounts must provide details of interest accrued on funds paid by the European Union.

**Reconciling the Financial Report to the Beneficiary's Accounting System and Records**

The Auditor reconciles the information in the Financial Report to COMESA’s accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.)

**Exchange Rates**

When reports are being drawn from financial statements denominated in other currencies than Euro, as per the Organisation's legislative requirements, the Auditor verifies that the conversion into Euro has been made using the rate of exchange at which the EUD's contribution was recorded in COMESA's accounts.

**PROCEDURES TO VERIFY CONFORMITY OF EXPENDITURE WITH THE BUDGET AND ANALYTICAL REVIEW**

**Budget of the Contribution Agreement**

The Auditor carries out an analytical review of the expenditure headings in the Financial Report.

The Auditor verifies that the budget in the Financial Report corresponds with the budget of the annual work-plan budget (authenticity and authorisation of the initial budget) and that the expenditure incurred was indicated in the annual work-plan budget.

**Amendments to the annual work-plan budget**

The Auditor verifies whether there have been amendments to the annual work-plan budget. Where this is the case the Auditor verifies that COMESA has:

* requested an amendment to the annual work-plan budget and obtained an addendum to it if such an addendum was required (Article 9.2 of the General Conditions).
* informed the European Union about the amendment in case the amendment was limited (Article 9.2 of the General Conditions) and an addendum to the annual work-plan budget was not required.

**PROCEDURES TO VERIFY SELECTED EXPENDITURE**

**Eligibility of Costs (article 14.1)**

The Auditor verifies, for each expenditure item selected, the eligibility criteria set out below.

1. ***Costs actually incurred***

The Auditor verifies that the expenditure for a selected item was actually incurred by and pertains to the Beneficiary. For this purpose, the Auditor examines supporting documents (e.g. invoices, contracts) 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 if applicable.

1. ***Cut-off - Implementation period***

The Auditor verifies that the expenditure for a selected item was incurred during the implementation period of the Action.

1. ***Budget***

The Auditor verifies that the expenditure for a selected item was indicated in the Action budget.

1. ***Necessary***

The Auditor verifies whether it is plausible that the expenditure for a selected item was necessary for the implementation of the Action and that it had to be incurred for the contracted activities of the Action by examining the nature of the expenditure with supporting documents.

1. ***Records***

The Auditor verifies that expenditure for a selected item is recorded in COMESA's accounting system and was recorded in accordance with COMESA's usual cost accounting practices.

1. ***Justified***

The Auditor verifies that expenditure for a selected item is substantiated by evidence and notably the supporting documents as specified in Article 16.2 and 16.3 of the General Conditions of the Grant Contract.

1. ***Valuation***

The Auditor verifies that the monetary value of a selected expenditure item agrees with the underlying documents (e.g. invoices, salary statements) and that correct exchange rates are used where applicable.

1. ***Classification***

The Auditor examines the nature of the expenditure for a selected item and verifies that the expenditure item has been classified under the correct (sub)heading of the Financial Report.

1. ***Compliance with Procurement, Nationality and Origin Rules***

Where applicable the Auditor examines which procurement, nationality and origin rules apply for a certain expenditure (sub)heading, a class of expenditure items or an expenditure item. The Auditor verifies whether the expenditure was incurred in accordance with such rules by examining the underlying documents of the procurement and purchase process. Where the Auditor finds issues of non-compliance with procurement rules, he/she reports the nature of such events as well as their financial impact in terms of ineligible expenditure.

**Eligibility of Direct Costs (Article 14.2)**

If the expenditure for a selected item is recorded under a direct costs heading, the Auditor verifies that this type of expenditure is covered by the direct costs as defined in Article 14.2 by examining the nature of the expenditure items concerned.

**Ineligible costs (Article 14.3)**

The Auditor verifies that the expenditure for a selected item does not concern an ineligible cost as described in Article 14.3 of the General Conditions. The Auditor verifies whether expenditure includes certain taxes, including VAT. If this is the case the Auditor verifies that COMESA (or, where applicable the partners) cannot reclaim these taxes through an exemption system and/or a refund *a posteriori*. If this is the case, taxes can be considered as eligible costs, provided that the basic act which finances the EU-contribution does not exclude payment of taxes.

**Administrative costs (Article 14.4)**

The Auditor verifies that the indirect costs to cover the administrative overheads do not exceed 7% of the total amount of eligible direct costs of the Action.

**Provision for Contingency reserve (Article 14.5)**

The Auditor verifies that the provision for contingency reserve does not exceed 5% of the direct eligible costs of the Action and that COMESA has obtained prior written authorisation of the European Union for the use of this contingency reserve.

**Contributions in kind (Article 14.6)**

The Auditor verifies that costs in the Financial Report do not include contributions in kind. Contributions in kind are not eligible costs.

**Revenues of the Action**

The Auditor examines whether revenues which should be attributed to the Action (including funding received from other donors and other revenue generated by COMESA in the context of the Action such as for example interest earned) have been allocated to the Action and disclosed in the Financial Report. For this purpose the Auditor inquires with COMESA and examines documentation obtained from COMESA. The Auditor is not expected to examine the completeness of the revenues reported.

**NOTE**

Guidelines for Specific procedures to be performed can be obtained on request.

**Annex II**

**ADB FUNDED PROJECTS EXTERNAL AUDIT TERMS OF REFERENCE**

1. **BACKGROUND**

1.1 The **African Development Bank Group (ADB)** has been supporting the **Common Market for Eastern and Southern Africa (COMESA)** in its Regional Integration efforts through various signed Protocols of Agreement. A Grant of UA XX million (to be determined) was approved in 19XX/20XX (to be determined) to finance the (name the Project).

1.2 ***Provide other information such as Development objectives of the project; Institutional and project financial management arrangements; Other co-financiers if any; Financial year/period to be audited; Level of disbursements; and any other pertinent information that should be brought to the attention of the auditors.***

**2. OBJECTIVE OF THE AUDIT**

2.1 The objective of the audit of the Project Financial Statements (PFSs) is to enable the auditors to express an independent[[1]](#footnote-2) professional opinion on the financial position of the Project as at **31st December XXXX** and to ensure that the funds granted to the Project have been used for their intended purposes.

2.2 The Project books of accounts provide the basis for preparation of the PFSs by COMESA Secretariat and are established to reflect the financial transactions in respect of the Project. COMESA Secretariat maintains adequate internal controls and supporting documentation for transactions.

**3. RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS**

3.1 The responsibility for the preparation of PFSs lies with COMESA Secretariat, the Executing Agency (EA). The EA is also responsible for:

1. The selection and application of accounting policies. The EA will prepare the PFSs in accordance with applicable accounting standards - either the International Public Sector Accounting Standards (IPSASs), International Financial Reporting Standards (IFRs), or National Accounting Standards that comply with IPSASs or IFRs in all material respects; and

1. Implementing accounting, administrative and financial procedures documented in manuals.

3.2 The auditors are responsible for the formulation of an opinion on the PFSs based on their audit conducted in accordance with ISAs (International Standards on Auditing) issued by the IFAC (International Federation of Accountants) or ISSAIs (International Standards of Supreme Audit Institutions) issued by the INTOSAI. National Auditing Standards that comply with ISAs or ISSAIs in all material respects will also be accepted. In accordance with these standards, the auditors will request the EA for an Engagement/Confirmation Letter committing the EA’s management to the preparation of the PFSs and maintenance of proper internal control systems as well as acceptable documentation for all financial transactions.

**4. SCOPE OF THE AUDIT**

4.1 The audit will be carried out in accordance with the Standards specified in 3.2 above and will include such tests and controls as the auditors consider necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

1. All Bank funds have been used in accordance with the conditions of the grant agreement, with due attention to economy and efficiency and only for the purposes for which the funds were provided;

1. Counterpart funds (EA budget) and external funds (in case of co-financing) have been provided and used in accordance with the conditions of the grant agreement, with due attention to economy and efficiency and only for the purposes for which they were provided;

1. Goods, works and services financed have been procured in accordance with the grant agreement and in accordance with the Bank’s rules and procedures[[2]](#footnote-3); and have been properly accounted for;

1. Appropriate supporting documents, records and books of accounts relating to all project activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented to the Bank;

1. Special accounts have been maintained in accordance with the provisions of the grant agreement and in accordance with the Bank’s disbursement rules and procedures (refer to sections 6 and 7 below for further guidance);

1. The financial statements have been prepared by project management in accordance with applicable accounting standards mentioned (ref. section 3 above) and give a true and fair view of the financial position of the Project

as at the year end and of its receipts and expenditures for the period ended on that date;

1. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions and ensure safe custody of Project-financed assets and that they are being used for the intended purposes;

1. Project’s fixed assets are real and properly evaluated and project property rights or related beneficiaries’ rights are established in accordance with grant conditions; and

1. Ineligible expenditures identified during the audit will be reflected in a separate paragraph of the audit report and if material, the point should be reflected in the auditors’ opinion.

4.2 In accordance with International Standards on Auditing, the auditors shall pay attention to the following:

1. ***Fraud and Corruption***: In accordance with **ISA 240 (The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements),** the auditors shall identify and evaluate risks related to fraud, obtain or provide sufficient evidence of analysis of these risks and assess properly the risks identified or suspected;

1. ***Laws and Regulations:*** In preparing the audit approach and in executing the audit procedures, the auditors shall evaluate the PIU’s compliance with the provisions of laws and regulations that might impact significantly the PFSs as required by **ISA 250 (Considerations of Laws and Regulations in an Audit of Financial Statements)**;

1. ***Governance***: Communicate with the PIU’s Management responsible for Governance regarding significant audit issues related to governance in accordance with **ISA 260: (Communication with those charged with Governance)**; and

1. ***Risks:*** With a view to reducing audit risks to a relatively low level, the auditors will apply appropriate audit procedures and handle anomalies/risks identified during their evaluation. This is in accordance with **ISA 330 (The Auditor’s Responses to Assessed Risks)**.

**5. FINANCIAL STATEMENTS**

5.1 The auditors will ensure that the PFSs are prepared in accordance with the standards mentioned above (ref. section 3 above) and give a true and fair view of the financial position of the project as at the fiscal year end and its receipts and expenditures for the financial year ended on that date.

5.2 The Project financial statements prepared by Project management shall include:

1. Statement of Receipts[[3]](#footnote-4) (funds received from the Bank, counterpart funding and

where applicable, co-financiers’ funding) and Expenditures (expenditures incurred for both the current year and accumulated to-date) showing separately Bank’s funding, those of counterparty and co-financiers if applicable and cash balances;

1. Balance Sheet showing accumulated funds of the project, bank balances and other assets and liabilities of the project as at the close of each fiscal year;

1. Cash Flow Statement that should disclose the cash flows during each

fiscal

1. Statement of Special Account;

1. Notes to the Financial Statements describing the applicable accounting principles in place and a detailed analysis of the main accounts.

5.3 As an annex to the financial statements mentioned above, the audit report should include:

1. A reconciliation between the amount shown as “received from the Bank” and that shown as having been disbursed by the Bank. The reconciliation should indicate the methods used for disbursement, i.e. special account, direct payment or reimbursement guarantee, reimbursement methods with those recommended in the appraisal report and the disbursement letter; and

1. A comprehensive list of all fixed assets purchased, with given dates, values and condition of the assets.

**6. STATEMENT OF EXPENDITURES**

In conjunction with the audit of the PFSs, the auditors should apply such tests and controls as they consider necessary to:

1. Audit all Statements of Expenditures (SOEs) used as a basis for the submission of withdrawal applications to the Bank by the Project;

1. Determine the eligibility of expenditures in accordance with the grant agreement and appraisal report. Where ineligible expenditures are identified as having been included in the withdrawal applications and replenished, these should be noted separately by the auditors; and
2. Annex to the PFSs a schedule listing withdrawal application submitted on the basis of SOEs with their reference number and the amount involved.

**7. SPECIAL ACCOUNT**

7.1 In conjunction with the audit of the PFSs, the auditors are also required to review the activities of the special account associated with the project. The auditors should examine the:

1. Eligibility and correctness of financial transactions during the period under review and fund balance at the end of such period;

1. Operations and use of the SA in accordance with Grant Agreement/Disbursement Letter; and
2. Adequacy of internal controls for this type of disbursement mechanism.

7.2 The Special Account usually comprises:

1. Initial deposit and subsequent replenishments received from the Bank;

1. Withdrawals related to project expenditures;

1. Interest that may be earned on the account balance; and

1. The remaining balance at the end of the period.

**8. AUDIT REPORT**

8.1 The audit report will comprise (i) the auditors’ opinion on the Project financial statements and (ii) a complete set of Project’s financial statements and other relevant statements as mentioned in section 5.2 above.

8.2 All ineligible expenditures will be disclosed in an annex to the audit report.

**9.** **MANAGEMENT LETTER**

9.1 In addition to the audit report, the auditors will prepare a “management letter” in which they will:

1. Give comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit;

1. Identify specific deficiencies and areas of weakness in systems and controls and make recommendations for improvement;

1. Report on the degree of compliance with each of the financial covenants on the Grant agreement and give comments, if any, on internal and external matters affecting such compliance;

1. Report on the implementation status of recommendations pertaining to previous period audit reports;

1. Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the project; and

1. Bring to the borrower’s attention any other matters that the auditors consider pertinent.

9.2 Ideally, the management letter will include reactions/comments from EA’s on the weaknesses noted by the auditors.

**10. GENERAL INFORMATION**

10.1 The audit report including the financial statements, the management letter including the EA’s responses should be received by the Bank within six (6) months after the end of the fiscal year under review.

10.2 The auditors should be given access to all legal documents, correspondence and any other information associated with the project and deemed necessary by them. Confirmation of amounts disbursed and outstanding at the Bank should also be obtained. The project task manager at the Bank can assist in obtaining these confirmations.

10.3 It is recommended that the auditors become familiar with the following documents that may have been prepared by the Bank:

1. General Conditions Applicable to Loan, Guarantee and Grant Agreements;

1. Grant Agreement;

1. Project Appraisal Report;

1. Guidelines for Financial Management and Financial Analysis of projects;

1. Disbursement Handbook;

1. Aide Memoires and official communications with the Bank; and

1. Procurement rules and procedures for works, goods and services.

**CURRILUM VITAE (CVs)**

1. The Audit Firm will provide the entity with CV’s of the partner or other person in the audit firm who is responsible for the audit engagement and for signing the report together with the CVs of e manager, senior auditors and assistant proposed as part of part of the engagement team.
2. The audit team:
3. Shall be completely impartial and independent from all aspects of management of financial interests of the organization; and
4. Shall not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as advisors or mentors for, or have any financial or business relations with the organization.

**ANNEX 2: Technical Proposal Submission Proposal Forms**

[*Comments in brackets* [ ] *provide guidance to the Service Providers for the preparation of their Technical Proposals; they should not appear on the Technical Proposals to be submitted.*]

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[Form TECH- 2 Comments and Suggestions on the Terms of Reference , on Counterpart Staff and Facilities to be Provided by the COMESA and on Draft Contract 8](#_Toc267380181)

[Form TECH-3 Description of Approach, Methodology and Work Plan for Performing the Assignment 9](#_Toc267380182)

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### **FORM TECH-1: Technical Proposal Submission Form**

[*Location, Date*]

To:

**COMESA SECRETARIAT**

**BEN BELLA ROAD**

**P.O BOX 30051**

**LUSAKA, ZAMBIA**

**Tel: 260 211 229725 – 32**

Dear Sirs,

We, the undersigned, offer to provide the consulting services for [*insert title of assignment*] in accordance with your Request for Services number *[insert the number],* dated [*insert date*] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal.

We are submitting our Proposal in association with: [*insert a list with full name and address of each partner*]1

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

Our Proposal is binding upon us for the period indicated in the Paragraph 8(iii) of the Request for Services.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date indicated in Paragraph 9 of the Request for Services.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]:

Name and Title of Signatory:

Name of Firm:

Address:

1 [*Delete in case no Joint Venture or Consortium is foreseen.*]

### **FORM TECH- 2: COMMENTS AND SUGGESTIONS ON THE TERMS OF REFERENCE, ON COUNTERPART STAFF AND FACILITIES TO BE PROVIDED BY COMESA AND ON STANDARD TERMS OF CONTRACT**

#### A - On the Terms of Reference

[*Present and justify here any modifications or improvement to the Terms of Reference you are proposing to improve performance in carrying out the assignment (such as deleting some activity you consider unnecessary, or adding another, or proposing a different phasing of the activities). Such suggestions should be concise and to the point and incorporated in your Proposal.*]

#### B - On Counterpart Staff and Facilities

[*Comment here on counterpart staff and facilities to be provided by COMESA as indicated in the TORs or include your own requirements of: administrative support, office space, local transportation, equipment, data, etc.*]

**C - On Standard Terms of Contract**

*[Please recommend any change in the standard Terms of Contract clauses you would like to see incorporated in the final Contract. Please indicate which of the proposed changes, if not accepted by COMESA could determine you to reject the Contract for this project. Use maximum 2 pages]*

**FORM TECH-3: DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT**

* + 1. Technical approach, methodology and work plan are key components of the Technical Proposal. You are required to present your Technical Proposal divided into the following three chapters:

1. *Technical Approach and Methodology;*
2. *Work Plan; and*
3. *Organization and Staffing.*
   * + 1. Technical Approach and Methodology. In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them. You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

*b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by COMESA), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, should be included here. The work plan should be consistent with the Work Schedule of Form TECH-7.*

*c) Organization and Staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the key expert responsible, and proposed technical and support staff.*]

### **Form TECH-4: Team Composition and Task Assignments**

|  |  |  |  |
| --- | --- | --- | --- |
| Professional Staff | | | |
| Name of Staff | Area of Expertise | Position Assigned | Task Assigned |
|  |  |  |  |
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### **Form TECH – 5: Curriculum Vitae (CV) for Proposed Professional Staff**[[4]](#footnote-5)

|  |  |
| --- | --- |
| 1. **Family name:** | *[insert the name]* |
| 1. **First names:** | *[insert the names in full]* |
| 1. **Sex** | *[ ]* |
| 1. **Date of birth:** | *[insert the date]* |
| 1. **Nationality:** | *[insert the country or countries of citizenship]* |
| 1. **Contact Details:** | ***Address****: [insert the physical address]* |
|  | ***Phone:*** *[insert the phone and mobile no.]* |
|  | ***E-mail:*** *[insert the email]* |
| 1. **Education:** |  |
|  |  |
| **Institution:**  **[Date from – Date to]** | **Degree(s) or Diploma(s) obtained:** |
| *[indicate the month and the year]* | *[insert the name of the diploma and the specialty/major]* |
| *[indicate the month and the year]* | *[insert the name of the diploma and the specialty/major]* |

**7. Language Proficiency:** (Indicate competence on a scale of 1 to 5) (1 – excellent; 5 – basic)

|  |  |  |  |
| --- | --- | --- | --- |
| **Language** | **Reading** | **Speaking** | **Writing** |
| *[insert the language]* | *[insert the no.]* | *[insert the no.]* | *[insert the no.]* |
| *[insert the language]* | *[insert the no.]* | *[insert the no.]* | *[insert the no.]* |
| *[insert the language]* | *[insert the no.]* | *[insert the no.]* | *[insert the no.]* |

|  |  |
| --- | --- |
| **8. Membership of Professional Bodies:** | *[indicate the name of the professional body]* |
| **9. Other Skills:** | *[insert the skills]* |
| **10. Present Position:** | *[insert the name]* |
| **11. Years of Experience:** | *[insert the no]* |
| **12. Key Qualifications:** (Relevant to the assignment)  *[insert the key qualifications]* | |

**13. Specific Experience in the Region:**

|  |  |
| --- | --- |
| **Country** | **Date from - Date to** |
| *[insert the country]* | *[indicate the month and the year]* |
| *[insert the country]* | *[indicate the month and the year]* |
| *[insert the country]* | *[indicate the month and the year]* |

1. **Professional Experience[[5]](#footnote-6):**

| **Date from – Date to** | **Location of the Assignment** | **Company& Reference Person (Name & Contact Details)** | **Position** | **Description** |
| --- | --- | --- | --- | --- |
| *[indicate the month and the year]* | *[indicate the country and the city]* | ***Name of the Company:***  ***Address of the company:***  ***Phone:***  ***Fax:***  ***Email:***  ***Name and title of the reference person from the company:*** | *[indicate the exact name and title and if it was a short term or a long term position]* | ***Title of the Assignment***  ***Beneficiary of the Assignment***  ***Brief description of the Assignment:***  ***Responsibilities:*** |
| *[indicate the month and the year]* | *[indicate the country and the city]* | ***Name of the Company:***  ***Address of the company:***  ***Phone:***  ***Fax:***  ***Email:***  ***Name and title of the reference person from the company:*** | *[indicate the exact name and title and if it was a short term or a long term position]* | ***Title of the Assignment***  ***Beneficiary of the Assignment***  ***Brief description of the Assignment:***  ***Responsibilities:*** |
| *[indicate the month and the year]* | *[indicate the country and the city]* | ***Name of the Company:***  ***Address of the company:***  ***Phone:***  ***Fax:***  ***Email:***  ***Name and title of the reference person from the company:*** | *[indicate the exact name and title and if it was a short term or a long term position]* | ***Title of the Assignment***  ***Beneficiary of the Assignment***  ***Brief description of the Assignment:***  ***Responsibilities:*** |
|  |  |  |  |  |
| *[indicate the month and the year]* | *[indicate the country and the city]* | ***Name of the Company:***  ***Address of the company:***  ***Phone:***  ***Fax:***  ***Email:***  ***Name and title of the reference person from the company:*** | *[indicate the exact name and title and if it was a short term or a long-term position]* | ***Title of the Assignment***  ***Beneficiary of the Assignment***  ***Brief description of the Assignment:***  ***Responsibilities:*** |

1. **Other relevant information:** (e.g., Publications)

***[insert the details]***

1. ***Statement:***

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

I hereby declare that at any point in time, at the COMESA Secretariat request, I will provide certified copies of all documents to prove that I have the qualifications and the professional experience and indicated at points 8 and 14 above**[[6]](#footnote-7),** documents which are attached to this CV as photocopies.

By signing this statement, I also authorised the COMESA Secretariat to contact my previous or current employers indicated at point 14 above, to obtain directly reference about my professional conduct and achievements.

|  |  |  |
| --- | --- | --- |
|  | Date: |  |

**ATTACHMENTS:** ***1) Proof of qualifications indicated at point No. 8***  
 ***2) Proof of working experience indicated at point No. 14***

### **Form TECH-6: Staffing Schedule**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| N° | **Name of Staff[[7]](#footnote-8)** | **Staff Input (in the form of a bar chart)[[8]](#footnote-9)** | | | | | | | | | | | | | **Total staff-month/weeks input[[9]](#footnote-10)** | | |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **n** | **Home** | **Field[[10]](#footnote-11)** | **Total** |
| **Key Experts** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 |  | [Home] |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| [Field] |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  | **Subtotal** | | | |  |  |  |
| **Non key experts** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 |  | [Home] |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| [Field] |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  | **Subtotal** | | | |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | **Total** | | | |  |  |  |

Full time input

Part time input

### **Form TECH-7: Work Schedule**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **N°** | **Activity[[11]](#footnote-12)** | **Months[[12]](#footnote-13)** | | | | | | | | | | | | |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **n** |
| 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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**ANNEX 3: Financial Proposal Submission Forms**

[*Comments in brackets* [ ] *provide guidance to the Service Providers for the preparation of their Financial Proposals; they should not appear on the Financial Proposals to be submitted.*]

[Form FIN-1 Financial Proposal Submission Form 15](#_Toc267380419)

[Form FIN-2 Summary of Costs 16](#_Toc267380420)

[Form FIN-3 Breakdown of Remuneration1 17](#_Toc267380421)

[Form FIN-4 Breakdown of Reimbursable Expenses 18](#_Toc267380422)

## FORM FIN-1 FINANCIAL Proposal Submission Form

[*Location, Date*]

To: [*Name and address of Procuring Entity*]

Dear Sirs,

We, the undersigned, offer to provide the consulting services for [*Insert* *title of assignment*] in accordance with your Request for Services number *[insert the number],* dated [*insert date*] and our Technical Proposal. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures*1[[13]](#footnote-14)]. This amount inclusive of all expenses deemed necessary by us for the performance of the Contract in accordance with the Terms of Reference requirements and our Technical Proposal and *[“does” or “does not” delete as applicable]* includeany of the following taxes in Zambia: value added tax and social charges or/and income taxes on non-resident Personnel’s fees and benefits.

Our Financial Proposal shall be binding upon us, subject to the modifications resulting from computation errors or other priced deviations identified during evaluation, up to expiration of the validity period of the Proposal, i.e., before the date indicated in Paragraph Reference 8 (iii) of the Request for Services.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]:

Name and Title of Signatory:

Name of Firm:

Address:

## FORM FIN-2: SUMMARY of Costs

|  |  |
| --- | --- |
| Cost component | **Costs** |
| **(US$)** |
| Remuneration |  |
| Reimbursable Expenses |  |
| Taxes**[[14]](#footnote-15)**[[15]](#footnote-16) |  |
| Total |  |

## Form FIN-3 BREAKDOWN of Remuneration[[16]](#footnote-17)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name[[17]](#footnote-18)** | **Position[[18]](#footnote-19)** | **Input**  **(in staff days)** | **Staff-daily Rate[[19]](#footnote-20)**  **(in US$)** | **Total**  **(in US$)** |
| **Key experts** |  |  |  |  |
| *[name]* | *[position in the contract]* | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| *[name]* | *[position in the contract]* | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| *[name]* | *[position in the contract]* | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| Etc. |  | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| **Non-Key staff** |  |  |  |  |
| *[name]* | *[position in the contract]* | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| *[name]* | *[position in the contract]* | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| *[name]* | *[position in the contract]* | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| Etc. |  | [*Home*] *[number]* | [*Home*] *[amount]* | [*Home*] *[amount]* |
| [*Field*] *[number]* | [*Field*] *[amount]* | [*Field*] *[amount]* |
| **TOTAL RENUMERATION** | | | |  |

1

.

## Form FIN-4: Breakdown of Reimbursable Expenses

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **N°** | **Description[[20]](#footnote-21)** | | **Unit[[21]](#footnote-22)** | **No. of Units** | **Unit Cost**  **(in US$)** | **Total**  **(in US$)** |
| 1 | Per Diem Allowances | | Day |  |  |  |
| 2 | Flights[[22]](#footnote-23) | | Trip |  |  |  |
| 3 | Miscellaneous Travel Expenses[[23]](#footnote-24) | | Trip |  |  |  |
| 4 | Communication Costs | | Lump sum |  |  |  |
| 5 | Drafting and Reproduction of Reports | |  |  |  |  |
| 6 | Equipment, Instruments, Materials, Supplies, etc. (if needed) | |  |  |  |  |
| 7 | Local Transportation Costs | |  |  |  |  |
| 8 | Office Rent | |  |  |  |  |
| 9 | Insurances Cost, Out of which: | | Lump sum |  |  |  |
|  | i) | Life Insurance (including repatriation) | Lump sum |  |  |  |
|  | ii) | Heath Insurance | Lump sum |  |  |  |
|  | iii) | Third Party Liability Insurance | Lump sum |  |  |  |
|  | iv) | Professional Liability Insurance | Lump sum |  |  |  |
| 10 | Other**4** | |  |  |  |  |
| 11 | **Fixed Reimbursable Expenses[[24]](#footnote-25)** | |  |  |  |  |
| **TOTAL REIMBUSABLES EXPENSES** | | | | | |  |

**ANNEX 3: Standard Terms and Conditions**

**STANDARD CONTRACT FOR CONSULTING SERVICES**

THIS Contract is entered into between,

*[name of Procuring Entity]* (hereinafter called the “Procuring Entity”), on the one hand and;

*[name of Service Provider]* (hereinafter called the “Service Provider”) of the other part;

**WHEREAS** COMESA wishes to have the Contractor perform the services hereinafter referred to, and

**WHEREAS** the Contractor is willing to perform these services,

**NOW THEREFORE THE PARTIES** hereby agree as follows:

|  |  |
| --- | --- |
| **1. Services** | (a) The Contractor shall perform the services specified in Annex A, “Terms of Reference and Technical Proposal,” which is made an integral part of this contract (“the Services”).  (b) The Contractor shall provide the personnel listed in Annex B, “Service Provider’s Personnel,” to perform the Services.  (c) The Contractor shall submit to COMESA the reports in the form and within the time periods specified in Annex C, “Service Provider’s Reporting Obligations.” |
| **2. Term** | The Contractor shall perform the Services during the period commencing ***[insert the date]*** and continuing ***[insert the date]*** or any other period as may be subsequently agreed by the parties in writing. |
| **3. Termination** |  |
| **3.1 By COMESA** | COMESA may terminate this contract in case of the occurrence of any of the events specified in paragraphs (a) through (g) of this Clause 3.1. In case of an occurrence specified in (a) to (g) COMESA shall give not less than seven (7) days’ written notice of termination to the Service Provider  (a) If the Contractor fails to remedy a failure in the performance of its obligations hereunder, within seven (7) days of period after the receipt of a registered mail with acknowledgment of receipt specifying the failure.  (b) If the Contractor becomes (or, if the Contractor consists of more than one entity, 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 Contractor fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 15 hereof.  (d) If the Service Provider, has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.  (e) If the Contractor submits to COMESA a false statement which has a material effect on the rights, obligations or interests of COMESA.  (f) If, as the result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than fourteen (14) days.  (g) If COMESA, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.  Early termination shall not prejudice or affect the accrued rights or liabilities of the Parties. |
| **3.2 By the Service Provider** | The Contractor may terminate this contract, by not less than seven (7) days’ written notice to COMESA, in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause 3.2.  (a) If COMESA fails to pay any money due to the Contractor pursuant to this contract (which is not subject to dispute pursuant to Clause 15 hereof) within seven (7) days after receiving written notice from the Contractor that such payment is overdue.  (b) If, as the result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than fourteen (14) days.  (c) If COMESA fails to comply with any final decision reached as a result of arbitration pursuant to Clause 15 hereof.  (d) If COMESA is in material breach of its obligations pursuant to this Contract and has not remedied the same within thirty (30) days (or such longer period as the Contractor may have subsequently approved in writing) following the receipt by COMESA of the Service Provider’s notice specifying such breach.  Early termination shall not prejudice or affect the accrued rights or liabilities of the Parties. |
| **4. Payment** | A. Ceiling  For Services rendered pursuant to Annex A, COMESA shall pay the Contractor an amount not to exceed ***US$*** ***[insert the amount in figures and letters]***. This amount has been established based on the understanding that it includes all of the Service Provider's costs and profits as well as any tax obligation that may be imposed on the Service Provider.  B. Schedule of Payments  The schedule of payments is specified below:[[25]](#footnote-26)1  maximum 20% of the contract value upon COMESA's receipt and acceptance of the inception report signed by the Contractor.  50%upon COMESA’s receipt of the draft final report*,* acceptable to COMESA; ***and***  maximum 30% of the contract value upon COMESA’s receipt and acceptance by COMESA of the final report.  **Total: 100%**  C. Acceptance  The Deliverables, meaning Reports or Services submitted to an Acceptance (either formal or not), are listed in the Annex C thereof.  Acceptance means express or tacit acknowledgment that the Deliverables comply with the Contract.  The following principles are always applicable:   1. Unless COMESA makes reservations within fourteen (14) working days from the submission, the Deliverables are deemed accepted; 2. In case of reservations by COMESA during the Acceptance Period, the Deliverables are deemed accepted once the reservations are withdrawn; 3. It is expressly agreed that the use of any Deliverables or any phase of the Contract means the final Acceptance of the phase or the corresponding Deliverables; and 4. The Acceptance is definitive and cannot be doubt for any reason whatsoever.   D. Payment Conditions  Payment shall be made in **US$** no later than 30 days following submission by the Contractor of an acceptable invoice accompanied by prove of Acceptance (implicit or explicit) of Deliverables associated to the invoice, in duplicate, to the coordinator designated in paragraph 4.   * + 1. If the Contractor does not receive payment by the time stated then the Contractor shall be paid interest at the overdraft interest rate the Contractor is charged by its bank calculated from the due date of payment. |
| **5. Payment upon Termination** | Upon termination of this Contract pursuant to Clauses 3.1 or 3.2 hereof, COMESA shall make the following payments to the Service Provider:  (a) The cost of all accepted Deliverables performed prior to the effective date of termination and any interest rate due to the Contractor as a result of previous delays in payment of invoices; and  (b) Except in the case of termination pursuant to paragraphs (a) through (e) of Clause 3.1 hereof, reimbursement of any reasonable out-of-pocket demobilization or other direct costs incidental to the prompt and orderly termination of this Contract, including the cost of the return travel of the Service Provider’s Personnel. |
| **6. Project Administration** | A. Coordinator  COMESA designates the ***[insert de full name, the title, department and organization****]****,*** as Procuring Entity's Coordinator; the coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by COMESA and for receiving and approving invoices for the payment.  B. Reports  The reports listed in Annex C, “Service Provider's Reporting Obligations,” shall be submitted in the course of the assignment and will constitute the basis for the payments to be made under Clause 4 thereof.   1. Information   COMESA shall timely provide to the Service Provider, free of cost, all information that may be reasonably required for the provision of the Services. The Contractor shall be entitled to rely on the accuracy and completeness of such information furnished by or on behalf of COMESA.  D. Decisions  COMESA shall give his decision on all matters properly referred to him in writing by the Contractor within a reasonable time so as not to delay the Services.  Where there is a misunderstanding between COMESA’s Coordinator and the Service Provider, the Contractor can bring the issue into the attention of the SADC Secretariat Executive Secretary, which is entitled to express COMESA’s final decision on the issue brought into attention.  E. Assistance  COMESA shall co-operate with the Contractor and shall not interfere with or obstruct the proper performance of the Services. COMESA shall as soon as practicable:  (a) Provide the Service Provider’s personnel with work permits and such other documents as shall be necessary to enable them to perform the Services;  (b) Arrange for the Service Provider’s personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Government’s country;  (c) Facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Service Provider’s personnel and their eligible dependents;  (d) Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services;  (e) Exempt the Contractor and its personnel from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity according to the Applicable Law;  (f) Grant to the Contractor and its personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into the Government’s country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the personnel and their dependents and of withdrawing any such amounts as may be earned therein by the personnel in the execution of the Services;  (g) Authorize the Contractor and its personnel to act as his agent as may be necessary for the performance of the Services;  (h) Procure the Service Provider’s ready access to the necessary sites; and  (i) Designate in writing a person to act with his complete authority to give instructions for and to receive information on his behalf. |
| **7. Performance Standards** | The Contractor undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Contractor shall promptly replace any employees assigned under this Contract that COMESA considers unsatisfactory as a result of their incompetence to render the Services or their misconduct. |
| **8. Confidentiality** | (a) The Service Providers shall not, during the term of this Contract and within two (2) years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or COMESA's business or operations without the prior written consent of COMESA.  (b) Where necessary, the parties may enter into a non-disclosure agreement that shall form an integral part of this contract. |
| **9. Ownership of Material** | Any studies reports or other material, graphic, software or otherwise, prepared by the Contractor for COMESA under the Contract shall belong to and remain the property of COMESA. The Contractor may retain a copy of such documents and software but shall refrain from using it without the prior written consent of COMESA. |
| **10. Contractor Not to be Engaged in Certain Activities** | The Contractor agrees that, during the term of this Contract and after its termination, the Contractor and any entity affiliated with the Service Provider, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services. |
| **11. Insurance** | The Contractor will be responsible for taking out any appropriate insurance coverage, in the limit indicated in the Clause 14 hereof. |
| **12. Amendments** | Any modification of the Terms and Condition of the Contract shall be through a written Amendment signed by both parties. The procedures for modification of the Contract shall observe the SADC Secretariat principles of modifying contracts as lay down in the SADC Secretariat Procurement Guidelines edition *[insert the edition].*  Only the addition or the replacement of key experts shall be considered a modification of the Contract. In case of replacement of a key expert, this shall be done only with an expert having equal or better qualification than the expert replaced.  The Contractor shall not assign this Contract or sub-Contract any portion of it without COMESA's prior written consent. |
| **13. Law Governing Contract and Language** | The Contract shall be governed by UNIDROIT Principles of International Commercial Contracts (2011) as developed by the International Institute for the Unification of Private Law and the language of the Contract shall be **English**. |
| **14. Liability** | Limitation of the Service Providers’ Liability towards COMESA:  (a) Except in case of gross negligence or wilful misconduct on the part of the Contractor or on the part of any person or firm acting on behalf of the Contractor in carrying out the Services, the Service Provider, with respect to damage caused by the Contractor to COMESA ’s property, shall not be liable to COMESA:  (i) For any indirect or consequential loss or damage;  (ii) For any direct loss or damage that exceeds by two times *the* value of the fees of this Contract (reimbursable expenses will not be taken into consideration for determining the value of Service Provider’s liability); and  (iii) For loss or damage caused as a result of any Force Majeure Event.   1. This limitation of liability shall not affect the Service Providers’ liability, if any, for damage to Third Parties caused by the Contractor or any person or firm acting on behalf of the Service Providers in carrying out the Services.   Any action by either party must be brought within one (1) year after the cause of action arose. |
| **15. Dispute Resolution** | 1. Any dispute arising from, or in connection with the interpretation or operation of this Contract shall be resolved amicably by both parties through a process of negotiation. 2. Where the Parties fail to reach an amicable solution within a period of 30 (thirty) day period, or such longer period as they may agree, the parties have failed to resolve their dispute or differences by any mutual consultation, either party may submit the dispute before the COMESA Court of Justice for arbitration upon written notice to that effect (a “Notice of Arbitration”) and the dispute shall finally be determined in accordance with the Arbitration Rules of the COMESA Court of Justice as amended from time to time 3. Each party agrees that any decision or award in any arbitration made by the COMESA Court of Justice shall be final and binding and shall not be subject to appeal to any court of law. |

**Annexes:**

**Annex A:** Terms of Reference and Technical Proposal

**Annex B:** Service Provider’s Personnel

**Annex C:** Service Provider’s Reporting Obligations

**IN WITNESS WHEREOF**, the Parties’ representatives, being so duly authorized, have caused this Contract to be signed in four originals in the English language in their respective names as of the day and year first below written:

Signed today ***[insert the date]***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **For COMESA** | **Signature** |  | **For the Contractor** | **Signature** |
| **Name:** *[insert full name]* |  |  | **Name:** *[insert full name]* |  |
| **Title:** *[insert the title]* |  |  | **Title:** *[insert the title]* |  |
| **Place:** *[insert the city and country]* |  |  | **Place:** *[insert the city and country]* |  |
| **Date:** *[insert the date]* |  |  | **Date:** *[insert the date]* |  |

1. The auditors will not provide any other services that may result to a conflict of interest. [↑](#footnote-ref-2)
2. Depending on the complexity of certain procurement activities, the Auditors may integrate, in the audit team, technical experts during the period of the contract. In such a case, the Auditors will conform to **ISA 620: (Using the Work of an Auditor’s Expert)**. The necessity for the use of an expert’s works should be brought to the attention of the Borrower and the Bank for a mutual agreement and appropriate decisions.

   [↑](#footnote-ref-3)
3. Any revenue generated by the Project e.g. sale of bid documents, disposal of project assets, bank credit interests earned in the special account and fees earned should be accounted for and disclosed. [↑](#footnote-ref-4)
4. **The CV must not exceed eight (8) pages**  [↑](#footnote-ref-5)
5. **Only key information about the positions and the responsibilities held in various assignments during the last ten (10) years should be included. Experience older than 10 years will be rendered irrelevant.**  [↑](#footnote-ref-6)
6. ***The proof of stated qualifications shall be in the form of the copies of the degrees and diploma obtained, while for the professional experience the proof shall be either acknowledgement letters from the previous employers or copies of the contract signed with them.***  [↑](#footnote-ref-7)
7. Position held in the Assignment must be indicated as well. [↑](#footnote-ref-8)
8. Months/ weeks are counted from the start of the assignment. For each staff indicate separately staff input for home and field work. [↑](#footnote-ref-9)
9. Select months or weeks as needed. [↑](#footnote-ref-10)
10. Field work means work carried out at a place other than the Service Provider home office. [↑](#footnote-ref-11)
11. Indicate all main activities of the assignment, including delivery of reports (e.g.: inception, interim, and final reports), and other benchmarks such as Purchaser’s approvals. For phased assignments indicate activities, delivery of reports, and benchmarks separately for each phase. [↑](#footnote-ref-12)
12. Duration of activities shall be indicated in the form of a bar chart [↑](#footnote-ref-13)
13. Amounts must coincide with the ones indicated under Total Cost of Financial proposal in Form FIN-2. [↑](#footnote-ref-14)
14. If requested in the RFP clause 8 (i) ***[delete if not applicable]*** [↑](#footnote-ref-15)
15. Please provide details on taxes applied, the legal ground for application of the taxes and how they have been calculated [↑](#footnote-ref-16)
16. Form FIN-3 shall be filled in for the same Professional and Support Staff listed in Form TECH-6. [↑](#footnote-ref-17)
17. Professional Staff should be indicated individually; Support Staff should be indicated per category (e.g.: draftsmen, clerical staff). [↑](#footnote-ref-18)
18. Positions of the Professional Staff shall coincide with the ones indicated in Form TECH-4. [↑](#footnote-ref-19)
19. Indicate separately staff-daily rate for home and field work. [↑](#footnote-ref-20)
20. Delete items that are not applicable or add other items as the case may be. [↑](#footnote-ref-21)
21. Indicate unit cost. [↑](#footnote-ref-22)
22. Indicate route of each flight, and if the trip is one- or two-ways. [↑](#footnote-ref-23)
23. Provide clear description of what is their exact nature [↑](#footnote-ref-24)
24. The amount has to be indicated by COMESA and shall be included, without modifications, in the Financial Proposal. It shall cover costs already identified and priced by COMESA. [↑](#footnote-ref-25)
25. 1 Modify, in order to reflect the output required, as described in Annex C. [↑](#footnote-ref-26)