

Selection of Consultants

Request for Expressions of Interest

Consulting Services: Financial Audit of the Assam Project on Forest and Biodiversity Conservation Phase II



June 2020

Assam Project on Forest & Biodiversity Conservation (APFBC)- Phase II

CONSULTING SERVICES

Expressions of Interest

A. Project Context

Assam's population is expected to increase to 34 million by 2021 and continue to grow. A vast majority (86%) still lives in rural areas. Catering to the demands of a rising population as well as meeting its developmental goals is going to be a major challenge for the state, especially in terms of managing the pressure on its forests and natural resources to meet those needs. It is also important to note that Assam is a primarily rural state, with 53% of its population engaged in agriculture. Production of all crop types has been increasing, and the majority of the rising population is bound to stay within the sector. This means that the pressure on forest areas to make way for more agricultural land has never been higher. This also sets the stage for increasing instances of man-animal conflicts as people breach natural habitats to meet their needs. The global issue of climate change is a major threat to Assam's rich and complex ecosystems, and forest communities that depend directly on forests will be especially vulnerable. This interrelated web of challenges being faced by the state needs urgent solutions. The Forest Department, being the custodian of the forests, operates at the juncture where people and natural resources interact. The department thus needs to be prepared to deal with a variety of challenges.

The Assam Project on Forest and Biodiversity Conservation (APFBC) was co-funded by the French Development Agency – Agence Française de Développement (AFD) and the State Government of Assam; it commenced in February 2012. Its Phase I came to an end in May 2019.

The project's vision was "to enable sustainable forest management in Assam through multi-scale integrative planning involving participation of local population". Its specific objective was "in collaboration with the forest dependent communities, to restore forest ecosystems to enhance the forest dependent communities' livelihoods and ensure conservation and sustainable use of biodiversity".

The project activities covered in Phase I were:

1. Capacity building and infrastructural strengthening of the Assam Forest Department through trainings, exposure visits, major improvement of infrastructure and research to improve departmental effectiveness;
2. Implementing sustainable forest management by forest restoration and rehabilitation efforts via plantations and Joint Forest Management (JFM) of the forest areas by mobilizing the local communities, and
3. Supporting forest fringe villagers by providing a range of livelihood and income generation activities, equipment and micro-infrastructures. This was aimed at reducing their dependency on forests.

After successful implementation of Phase I, APFBC Phase II began in August 2019, with a budget of € 62.5 million (INR 500 crore). AFD will contribute 80% of the budget at € 50 million (INR 400 crore) and Government of Assam will contribute 20% of the budget at € 12.5 million (INR 100 crore).

B. The APFBC Phase II project is divided into four major components. Brief description of each component is presented below:

1. *Component 1: Conservation of Ecosystems:* the key focus of Phase II is conservation of forests and wildlife. The component is divided into two sub-components to ensure each receives due attention:
 - a. *Sustainable Forest Management:* activities will include
 - State-wide forest resource mapping will be conducted to form a database of the state's natural resources and conservation needs.
 - 12,500 ha of plantations,
 - Setting up Climate Change and REDD+ processes and
 - Improvement of infrastructure needed by frontline staff

- b. *Biodiversity Conservation*: addresses the critical conservation needs of the rich biodiversity of the state through activities as
- Improvement of Protected Area management,
 - Conservation efforts for a few key species (especially those that have not received enough attention so far),
 - Outreach efforts to spread public awareness and
 - Supporting the Assam State Biodiversity Board in making its Biodiversity Management Committees stronger.

This component will also contain a number of technological interventions aimed at enhancing the department's conservation efforts and effectiveness.

2. *Component 2: Community Engagement* aims to
- Further strengthen the 136 existing communities from Phase I as well as support 125 new communities through training and supporting JFMC/EDCs for joint forest management and linking them with alternate livelihood options.
 - Build market linkages to ensure that the livelihood interventions are successful and sustainable.
 - Converge with existing government schemes to ensure forest fringe communities reduce their dependence on forest resources
 - Form Self Help Groups and Joint Liability Groups to allow beneficiaries to function independently and reap benefits from the activities initiated under the project even after the project is over.
3. *Component 3: Institutional Strengthening* addresses Forest Department's most urgent institutional gaps, ensuring that it is equipped to deal with the complex challenges it faces.

Activities are as under:

- Conduct of a comprehensive HR study including strengthening of the legal cell, procurement cell and research and education cell
 - Digitizing the deptt's work by strengthening the Forest Management Information System (FMIS),
 - Improving the human resource module of the FMIS,
 - Supporting the Forest Schools by addressing their infrastructural requirements.
 - Project management of Phase II.
4. Component 4: Climate, Gender and Social Inclusion

Throughout the project activities, Climate, Gender and Social Inclusion will be recurring and cross-cutting themes for all activities. This is reflected in the Project's Environmental and Social Commitment, which will be fulfilled through the Environmental and Social Management System and the Gender Action Plan. The project is committed to ensuring fair gender representation as well as inclusion of vulnerable sections of all stakeholders, especially in case of its beneficiary communities. This translates to a participative approach wherever applicable, such as for microplanning with the community; and an inclusive approach inviting a broad representation of community members, such as in case of livelihood trainings. Considering the wide ambit of project activities which would interact with forests, biodiversity and other large infrastructural undertakings (equipment, vehicles, buildings, etc.), the Project shall closely monitor its activities to ensure alignment with its climate, gender and social inclusion commitments.

- C. **The APFBCS has received a financing from Agence Française de Développement ("AFD") and intends to use part of the funds thereof for payments under the following contract: *Financial Audit of the Assam Project on Forest and Biodiversity Conservation Phase II over a 4-year period.***

D. Objectives of the Audit

The APFBCS is expected to keep regular accounts of the project funds. The principle of accounting prescribed as per Project Agreement between the AFD and the Government of Assam shall be followed.

The Project thus intends to hire an independent auditor to audit project finances on a quarterly and annual basis.

The objectives of this audit are to enable the auditor to express an independent, professional opinion about the financial situation (fund utilization) of Project. These would broadly include-

- The accounting and financial auditing of the expenditure done under the Project, by the "Accounting Centres" of the Project Management Unit (PMU) and the Field Implementation Units (FIUs). The audit will cover all accounting centres and will review transactions on a reasonable sample basis[cover at least 20 Accounting Centres (excluding the PMU) every year in field visits (approximately 5 every quarter) to reach a total of at least 50 entities at the end of the project].
- Compliance with the procedures set out for project implementation in the Credit Facility Agreement, Project Agreement, AFD Guidelines, financial/procurement guidelines set out in the Manual of Procedures, and the Annual Work Plan and Budget.
- Ensure that the funds made available for the project have been used in accordance with the purposes for which they have been allocated, in line with the contractual documents of the AFD and the EU.

The accounting books and documents, accounting audit reports, auditors' reports, the dedicated bank account statements of the APFBC Phase II and all the reports on the execution and control of the budget and financial years form the basis for the verification of the project Financial Statements.

They should account for the financial transactions of the project in a faithful manner, based on an exhaustive verification of the documentary evidence of transactions, with references to the accounting standards and principles and administrative manuals and procedures in effect.

E. The services of the consultant shall be consists of:

In view of the above, the mission of the auditor is to conduct a thorough Financial Audit of the project, covering the following aspects:

- a. An analysis of the Financial Statements on which the auditor gives a professional and independent opinion concerning the financial accounts of the PMU. The analysis is to be conducted in accordance with Indian Auditing Standards. In accordance with these auditing standards, the auditor shall request a confirmation letter from the counterparty, establishing the liability of the Project in terms of preparing the financial statements and maintaining an adequate control system;
 - i. The PMU and each FIU shall have 'Accounting Centers' through which all project expenditure will be made. In total, there are approximately 45 Accounting Centres.
 - ii. The financial audit will consist of verification of the accounts of the Accounting Centre, covering all financial documents generated (utilization certificates, vouchers, cash books, Statement of Expenditure, financial statements and any other financial reports)
- b. Verification that all Drawdowns/ Advances paid into the Project Account have been used in accordance with the terms of the CFA and Manual of Procedures against respective contracts and respective activity heads.
- c. Conducting taxation related work, including filing of GST returns, Income Tax, etc.
- d. Any weaknesses or irregularities discovered during the audit, as well as a categorization by type of problem and proposals for regularization measures (the comments shall in particular concern the internal and external causes of the anomalies or weaknesses identified);
- e. Establish a detailed and objective assessment of any fraud, falsifications of financial statements, or misappropriation of assets from funds allocated to this program detected by the mission.

Based on every audit, the auditor shall provide recommendations to mitigate any areas of concern identified such as consistent irregularities, capacity gaps in creation of financial reports, particular FIUs requiring additional supervision, effectiveness of internal control measures, or any other challenges/ matters of concern. The recommendations shall be clear in their proposed solution, specifying the responsible party and the actions that need to be taken. Every subsequent report shall identify the status of the action taken on implementing previously identified recommendations.

The financial analysis covers the period of 5 years of APFBC Phase II, expected to conclude in June 2024. However, the contract duration may be modified as per the necessary conditions.

The audit covers the account(s) opened in the context of the Project implementation. It shall provide the assurances that the financial statements reliably set out the financial transactions and accounting balances related to the execution of each financial year.

The auditor shall have access to all the legal, accounting and financial documentation, the correspondence, and any other information about the Project deemed necessary. The auditor shall obtain confirmation of the amounts disbursed and of the balance of accounts from the dedicated account.

The auditor shall also schedule meetings with the PMU, FIUs and AFD as may be required.

The audit will be performed at Aranya Bhawan, the Forest Department headquarters at Guwahati. The auditor will also be required to conduct field visits in approximately 44 Field Implementation Units (FIUs) across the state, each of which will have its Accounting Centre. The auditor should confirm the location for the audit with the Client prior to the start of the audit fieldwork and ensure that relevant supporting documents as well as key staff will be available during the audit.

The auditor will inform PMU as soon as possible about any limitations in the scope of work he/she may find prior to or during the audit. The auditor will report any attempt by any entity to restrict the scope of the audit, or any lack of co-operation on the part of any entity.

- F. The APFBC hereby invites Applicants to show their interest in delivering the Services described above.
- G. This Request for Expressions of Interest is open to Consulting (CA) firms (single bidders/ joint ventures/ consortiums).
- H. Eligibility criteria to AFD financing are specified in sub-clause 1.3 of the "Procurement Guidelines for AFD-Financed Contracts in Foreign Countries", available online on AFD's website: <http://www.afd.fr>.
- I. The Applicant shall submit only one application, in its own name. If an Applicant submits or participates in more than one application, those applications shall be all rejected. Also, participation of the same JV partner/ Sub-consultants, Key Experts and Non-Key Experts in more than one Proposal is NOT permissible. Any consultants/ experts associated in the upstream activities of the project shall not be eligible to apply.

If the Applicant is a JV, the expression of interest shall include:

- a copy of the JV Agreement entered into by all members, or
- a letter of intent to execute a JV Agreement, signed by all members together with a copy of the Agreement proposal,

In the absence of this document, the other members will be considered as Subconsultants.

- J. Experiences and qualifications of Subconsultants are not taken into account in the evaluation of the applications.
- K. Interested Applicants must provide information evidencing that they are qualified and experienced to perform those Services. For that purpose, documented evidence of recent and similar services shall be submitted.
- L. Determination of the similarity of the experiences will be based on:
 - The contracts size;
 - The nature of the Services
 - The technical area and expertise
 - The location
- M. Among the submitted applications, *[Assam Project on Forest and Biodiversity Conservation (APFBC)]* will shortlist a maximum of six (6) Applicants, to whom the Request for Proposals to carry out the Services shall be sent.

The last date of receipt of sealed EoI documents (1 original, 4 copies and soft copy of the same (either in CD or in Pendrive)) in English at the above mentioned address is 23rd of July, 2020 by 03:00 P.M.

**Sd/
Project Director,
Project Management Unit, APFBC Society
Panjabari, Guwahati- 781037;
Email: pd.pmu.apfbc@nic.in**

Annexure 1: Format for Expression of Interest

The expression of interest must be submitted along with the following documents:

- a) FORM 1: Organization Details
- b) FORM 2: Compliance to Eligibility Criteria
- c) FORM 3: Credentials / Past Experiences for all the projects cited under eligibility criterion

[Note: In case, documents submitted are in any language other than English, the consultant shall submit a self-certified copy of the translated document in English (along with originals).]

FORM 1: Organization Details

Section1: About the EoI Respondent			
I.	Name of the Organization		
II.	Details of the Organization	<ul style="list-style-type: none"> Address of the Registered Office : Telephone : Website : 	
III.	Information about Organization	<ul style="list-style-type: none"> Year of Establishment : Status of the Organization: (Sec25, Societies): 	
IV.	Name and designation of the person authorized to make commitments	<ul style="list-style-type: none"> Name Designation E-mail Contact Number 	
V.	Annual Turnover for the last three Financial Years (Please attach audited accounts statements for last 3 years)	Financial Year	Annual Turnover (INR)
		2017-18	
		2018-19	
		2019-20	
VI.	Number of professionals in the organizations		

Form2: Compliance to Eligibility Criterion

Sn	Eligibility Criterion	Compliance (Yes/ No)	Documentary Evidence Provided
1	The consultants (including the JV partner) must be a registered legal entity and should have been in existence for at least 15 years		Copy Certificate of Incorporation issued by relevant authority in country of establishment
2	The consultants (including the JV partner) must be empanelled with the Comptroller & Auditor General (C&AG) of India in the panel of audit firms eligible for major audits		Copy of latest empanelment intimation letter issued by the C&AG containing the Unique Identification Number and the score
3	Experience in audit of similar projects relating to Grants or Loans from International Agencies (during last Five Financial Years)		Work order of previous projects delivered
4	Experience in audit of similar projects relating to Forest/Biodiversity Conservation, Natural Resource Management, Community Engagement, Rural Development, etc. (during last Five Financial Years)		Work order of previous projects delivered

**Form3 : Format for Credentials / Past Experiences for projects cited under eligibility criterion
3 & 4 (Maximum 2 pages per credential)**

Assignment name :	Country : Location within the country
Name of Client :	Address :
Name of the Legal Entity in whose name the contract is :	Duration of assignment (months) :
No. of man-months of the assignment :	Start date (Month/year) : Completion date (Month/year) :
Approx. value of the overall contract (in INR):	
Name of associated organizations, if any :	Role of Consortium member :
Narrative description of the Project :	
Detailed Scope of services, coverage and relevance to this project :	
Copy of Contract attached/ grant funding?	YES /NO

Form 4: Matrix template for evaluating Expressions of Interest

The table below will be used to establish the shortlist of Applicants. For each experience, the Applicant should check the boxes of the criteria which are met and provided in Form 2.

Name of the Applicant: _____

	Reference in Form 2	Entity legally registered under appropriate authority in India for last 10 years. In case of a Consortium/Joint Venture this wouldbe applicable to the lead firm	The bidder (lead or partner of the JV firm) should have a minimum average annual turnover from consultancy/ advisory of INR 40 Crore from Indian operations over the last three financial years (FY16-17, FY17-18 and FY18- 19).	Experience in establishing Project Management Consultancy/Project Implementation Agency/Project Management unit for NaturalResource Management/Agriculture/Forestry/Livelihood Projects (at least 3)	The company should have at least 50 full time Consulting professionals on its rolls as on 31.3.2020
[Experience A]					
[Experience B]					
[Experience C]					
[Etc.]					

The selection of Applicants to be shortlisted shall follow the rules as defined here below:

- Each experience will be based on a single contract and can meet multiple criteria provided in the columns above
- The Applicant must meet the "at least" criterion provided in each column above; otherwise the application will be disqualified.
- The ranking of Applicants is based on the greatest number of criterion fulfilled (boxes checked).
- For a Joint Venture/Consortium, the experiences of all members will be added together for a combined total

**Appendix to The Request for Expressions of Interest
(To be submitted with the application, signed and unaltered)**

Statement of Integrity, Eligibility and Environmental and Social Responsibility

Reference of the bid or proposal _____ (the "Contract")

To: _____ (the "Contracting Authority")

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

Integrity supporting information showing that this exclusion is not relevant in the context of this Contract);

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

defined as a Public Officer by the national laws of the Contracting Authority's country, an undue advantage of any kind, for himself or for another Person or entity, for such Public Officer to act or refrain from acting in his official capacity;

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

Name: _____ In the capacity of: _____

Duly empowered to sign in the name and on behalf of¹: _____

Signature: _____

Dated: _____

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