

Terms of reference (ToR) for the procurement of services below the EU threshold

CONFIDENTIAL

Project title: Strengthening Public Finances and Financial Markets in Iraq – Phase II	Project number/ cost centre: G-018140/ 25.2071.6-001.00
Country: Iraq	
Works/services to be put out to tender:	
Technical and Advisory Services to FIU to implement Iraq's FATF International Cooperation Review Group (ICRG) Action Plan	Tender number 10046773

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0. List of abbreviations

AG	Commissioning party
AN	Contractor
AVB	General Terms and Conditions of Contract for supplying services and work
FK	Expert
FKT	Expert days
KZFK	Short-term expert
ToRs	Terms of reference
GIZ	Strengthening Public and Financial Markets (FFM) in Iraq - Phase II
AML/CFT	Anti-Money Laundering and Counter-Terrorist Financing
NRA	National Risk Assessment
CDD	Customer Due Diligence
TFS	Targeted Financial Sanctions
DNFBPs	Designated Non-Financial Businesses and Professions
MENAFATF	Middle East and North Africa Financial Action Task Force
FATF	Financial Action Task Force
ICRG	International Cooperation Review Group

1. Context

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH supports the German Federal Government in achieving its objectives in the field of international cooperation for sustainable development and international education. The company is active in several fields: economic development and employment; governance and democracy; peacebuilding, security, reconstruction and civil conflict transformation; food and nutrition security, health, basic education, environmental protection, resource conservation and climate change mitigation.

GIZ operates in some 120 countries worldwide and sends experts and managers to projects and programmes. A high percentage of these partner countries are marked by fragile statehood, violence and risks for individual safety and security. GIZ is responsible not only for its own staff members but also for the safety and security of partners, consultants and other involved parties.

Since 2003, Iraq has faced persistent political, economic, and institutional challenges that continue to constrain sustainable development. Structural weaknesses, including heavy reliance on oil revenues, limited fiscal space, low trust in public institutions, and a constrained private sector—have reduced the state's ability to respond effectively to economic shocks, climate pressures, and demographic demands. Addressing these challenges requires strengthened public institutions, improved economic governance, and a gradual shift towards a more diversified and resilient economy.

The BMZ-funded Strengthening Public Finances and Financial Markets (FFM) project supports the reform priorities of the Government of Iraq as articulated in the Iraqi National Development Plan and the Sudani government's agenda, with a focus on public financial management, domestic revenue mobilisation, financial integrity, and financial-sector stability. The Project contributes to macro-fiscal stability and inclusive economic development by strengthening budget credibility, improving public investment management, increasing non-oil revenues through tax and customs reform, and enhancing the AML/CFT framework to improve financial transparency and access to international finance.

Project interventions follow GIZ's capacity-development approach at individual, organisational, and system levels. These interventions contribute to improved fiscal sustainability, better mobilisation and allocation of public resources, increased private-sector access to finance, and reduced vulnerability to oil-price volatility and climate-related economic risks.

The Iraqi population is the ultimate target group, benefiting from improved governance, economic stability, and service delivery. Primary institutional partners include the Ministry of Finance (including tax and customs authorities), the Central Bank of Iraq (including the Financial Intelligence Unit and financial intermediaries), and the Prime Minister's Office. Project activities are implemented at the central government level in Baghdad.

The Project has the following Outputs:

- **Output 1:** Investment-promoting legal reforms have been carried out in selected thematic areas.
- **Output 2:** The technical and methodological competencies of the staff of public financial institutions, including competencies related to gender-sensitive instruments, are improved.

- **Output 3:** Public financial institutions have internal organizational and implementation strategies for sector reforms.

Key results of FFM I programme include support for the 2025 revision of Iraq's National Risk Assessment (NRA), covering both Federal Iraq and the Kurdistan Region of Iraq. Regulatory reforms comprised the revision of the Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) Act; development of the Five-Year National AML/CFT Strategy (2023–2027); preparation of regulations on Customer Due Diligence (CDD) and Targeted Financial Sanctions (TFS); establishment of a framework and operational manual for asset forfeiture; and development of risk-based policies and guidelines for Designated Non-Financial Businesses and Professions (DNFBPs). Capacity-building programmes strengthened the capabilities of Iraqi authorities in financial investigations, international cooperation, and asset recovery, complemented by regional workshops on parallel financial investigations and cross-border cooperation. Support to the Federal Commission of Integrity (FCI) included diagnostic assessments of asset recovery systems and the establishment of a Digital Forensic Laboratory and an Asset Recovery Communications Office. Digital and technological enhancements included installing IT servers for the Iraqi Financial Intelligence Unit's database centre, providing equipment to integrate the goAML system with the Ministry of Interior and other relevant entities, and developing a real-time TFS monitoring system for sanctions listing and screening processes.

In 2023, Iraq underwent a Mutual Evaluation by Middle East and North Africa Financial Action Task Force (MENAFATF), resulting in the country being placed under a one-year observation period (February 2025–February 2026). Failure to demonstrate progress on addressing the deficiencies identified in Iraq's AML/CFT and asset recovery frameworks, led to Financial Action Task Force (FATF) grey-listing in June 2026.

At this stage Iraq has entered a critical phase in strengthening its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework through the implementation of the FATF International Cooperation Review Group (ICRG) Action Plan. Successful implementation of the Action Plan is essential for demonstrating the effectiveness of Iraq's AML/CFT regime, addressing strategic deficiencies identified by FATF, and securing Iraq's removal from the FATF Grey List. The Action Plan establishes a series of milestones extending from January 2027 to January 2029 covering risk assessment, supervision, beneficial ownership transparency, financial intelligence, regulatory reform, money laundering investigations, and terrorist financing investigations.

The FATF ICRG Action Plan agreed with Iraq provides a roadmap for addressing identified deficiencies and demonstrating effectiveness under FATF Immediate Outcomes. Successful delivery of the Action Plan will support Iraq's exit from the FATF Grey List and strengthen the integrity and resilience of Iraq's financial system.

2. Tasks to be performed by the contractor

The Strengthening Public and Financial Markets (FFM) in Iraq - Phase II project aims to support the full implementation of Iraq's FATF International Cooperation Review Group (ICRG) Action Plan and pursue sustainable effectiveness in its anti-money laundering and counter-terrorist financing (AML/CFT) framework, to enable Iraq to exit the FATF Grey List by January 2029—or earlier, where feasible—while ensuring effective preparation for the country's upcoming Mutual Evaluation Report (MER) by MENAFATF.

To achieve this goal, the project will strengthen Iraq's understanding of money laundering and terrorist financing risks; improve risk-based supervision across all reporting sectors; enhance

beneficial ownership transparency and the effective use of financial intelligence; strengthen the implementation of targeted financial sanctions; improve AML/CFT compliance and enforcement; reinforce the investigation and prosecution of money laundering and terrorist financing offences; and support the timely achievement of all FATF Action Plan milestones.

The technical advisory package to support implementation of the “National Program for the Implementation of Iraq's FATF ICRG Action Plan and Exit from the FATF Grey List (2026–2029)” will be deployed in close collaboration with the National AML/CFT Steering Committee comprising of representatives from the Central Bank of Iraq, the AML/CFT Office (Financial Intelligence Unit), the Council of Ministers Secretariat, the Ministries of Interior and Justice, the Higher Judicial Council, the Counter Terrorism Service, the Customs Authority, the Companies Registration Department, the Securities Commission, and the supervisory authorities for Designated Non-Financial Businesses and Professions (DNFBPs). The National AML/CFT Steering Committee will provide a strategic oversight, approves implementation plans, monitor progress in delivering the FATF Action Plan, facilitates resource mobilization, and coordinates engagement with FATF and MENAFATF.

Establishing a dedicated FATF Action Plan Subcommittee in control of coordinating implementation on the ground will reinforce fast progress. Among other things, FATF Action Plan Subcommittee should be assigned responsibilities for overall programme coordination, monitoring implementation progress, collecting and validating supporting evidence, tracking key performance indicators, preparing progress reports for FATF, and coordinating relevant stakeholders. The Subcommittee will also benchmark Iraq's Action Plan and implementation approach against the experiences and lessons learned from comparable countries, including the United Arab Emirates, Algeria, Morocco, and Jordan.

The contractor is responsible for providing the following services:

- Provide technical advisory services for implementation of all FATF ICRG Action Plan commitments
- Monitor implementation progress and impact-based steering of the implementation FATF ICRG Action Plan
- Facilitate the process of stakeholder engagement and ensure stakeholder accountability measures
- Support the preparatory process for the upcoming mutual evaluation process to commence in 2030

In addition to the reports required by GIZ in accordance with the AVB, the contractor submits the following reports:

- Inception report in English language, not longer than 15 pages
- Brief progress reports on the implementation status of each work package as prescribed in the table of milestones of the implementations of the National Program for the Implementation of Iraq's FATF ICRG Action Plan and Exit from the FATF Grey List (2026–2029)

The Contractor is responsible to provide comprehensive technical advisory support to FFM II partner structures, including monitoring progress, facilitating impact-oriented implementation steering, coordinating stakeholder engagement, and establishing clear accountability mechanisms to ensure timely and effective delivery for implementation of the reform process structured into work packages as laid out in the table below. While the deliverables of each work package are a responsibility of the AML/CFT institutional framework in Iraq and timelines

are indicative, the technical advisory support of the Contractor shall directly contribute to achievement of each work package during the contract term:

Milestones	Timelines, Responsible
Work Package 1: National Risk Assessment and Risk Mitigation Enhancement	
Milestones	Timelines, Responsible
Review national and sectoral risk assessments.	January 2027
Financial Network Analysis on TF	January 2028
Risk-Based Mitigation Measures	January 2028
Work Package 2: Legislative and Regulatory Reform	
Milestones	Timelines, Responsible
Virtual Asset Service Provider Framework	May 2027
Compliance	May 2027
Work Package 3: Financial Intelligence Enhancement	
Milestones	Timelines, Responsible
Enhanced Use of STRs	May 2027
STR Quality Improvement Program	September 2027
Improve intelligence sharing.	January 2029
Work Package 4: Supervision and Compliance Enhancement	
Milestones	Timelines, Responsible
Detection of Informal MVTs	May 2028
AML/CFT Sanctions Program.	May 2028
TFS and PEP Compliance	May 2028
Work Package 5: Beneficial Ownership Transparency	
Milestones	Timelines, Responsible
BO Verification Framework	September 2027
Work Package 6. Money Laundering Investigation and Prosecution Effectiveness	
Milestones	Timelines, Responsible
Predicate-Offence Generated ML Cases	May 2028
Conversion to Prosecution	January 2029
Work Package 7. Terrorist Financing Investigation and Prosecution Enhancement	
Milestones	Timelines, Responsible
Cross-Border TF Investigations	January 2028
Non-ISIL TF Cases	January 2029

Period of assignment: from 01.10.2026 until 30.12.2028.

As a result of the technical advisory support of the Contractor, Iraqi stakeholders should achieve a meaningful progress in:

- Completion of all FATF Action Plan commitments.
- Improved FATF Immediate Outcomes.
- Sustainable AML/CFT effectiveness.
- Increased use of financial intelligence.
- Effective AML/CFT supervision.
- Effective ML and TF investigations and prosecutions.
- Effective beneficial ownership framework.
- Effective sanctions implementation.
- Readiness for FATF on-site review.
- Removal from the FATF ICRG Grey List.
- Advance practical knowledge about MENAFATF MER process requirements for the upcoming evaluation in 2030.

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system** (1.3.2).

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable, take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

The tenderer is required to describe its contribution to knowledge management for the partner (1.5.1) and GIZ and to promote scaling-up effects (1.5.2) under **learning and innovation**.

4. Personnel concept

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Key expert

Tasks of the key expert

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Regular reporting in accordance with deadlines

Qualifications of the key expert

- Education/training (2.2.1): university degree (German 'Diplom'/Master) in Economics, Finance or Public Administration
- Language (2.2.2): C1-level language proficiency in Arabic
- General professional experience (2.2.3): 10 years of professional experience in the financial analysis sector
- Specific professional experience (2.2.4): 15 years in financial analysis in the field of AML/CFT
- Leadership/management experience (2.2.5): 10 years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.2.6): 7 years of experience in projects in MENA (region) (5/10 points), of which 2 years in projects in Iraq (country) (5/10 points)
- Development cooperation (DC) experience (2.2.7): 3 years of experience in DC projects
- Other (2.2.8): C1-level language proficiency in English

5. Costing requirements

Assignment of personnel and travel expenses

Per diem allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable from the [German Federal Ministry of Finance – tax treatment of travel expenses and allowances for international business travel as of 1 January 2026 \(GERMAN ONLY\)](#)).

Accommodation allowances are reimbursed as detailed in the specification of inputs below.

With special justification, additional Accommodation costs up to a reasonable amount can be reimbursed against evidence.

All business travel must be agreed in advance by the officer responsible for the project

Sustainability aspects for travel

GIZ has undertaken an obligation to reduce greenhouse gas emissions (CO₂ emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO₂ efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

CO₂ emissions caused by air travel must be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The [Development and Climate Alliance \(German only\)](#) has published a [list of standards \(German only\)](#). GIZ recommends using the standards specified there.

Specification of inputs:

Fee days	Number of experts	Number of days per expert	Total	Comments
Designation of Key expert	1	145	145	Total days for remote and in-country (in Baghdad, Iraq); the in country presence is needs based and upon confirmation of duty trips by state partner institutions
Travel expenses	Quantity	Number per expert	Total	Comments
Per-diem allowance in country of assignment	1	100	100	In accordance with the Federal Travel Expense Guidelines for Luxembourg
Overnight allowance in country of assignment	1	100	100	In accordance with the Federal Travel Expense Guidelines for Luxembourg 248.000 IQD/night a special GIZ rate at a whitelisted Coral Palace hotel Overnight stays abroad: Note: Under the BMF travel expense regulations, overnight allowances not exceeding 100% of the lump sum amounts can be submitted for reimbursement against evidence. Up to 75% of the maximum rates specified in the travel expense regulations can be submitted for reimbursement on a lump-sum basis. Please indicate in the price schedule whether your offer is on a lump-sum basis or against evidence.

				Overnight stays in Germany (deviation from the travel expense regulations): Note: Overnight allowances of up to EUR 130 can be submitted for reimbursement against evidence. Up to EUR 80 can be submitted for reimbursement on a lump-sum basis. Please indicate in the price schedule whether your offer is on a lump-sum basis or against evidence.
Transport	Quantity	Number per expert	Total	Comments
International flights <i>To Baghdad, Iraq</i>	11	11	11	Travel to the place of service delivery Baghdad, Iraq <i>Number of international flights per annum: 2026 -1 flight, in 2027-5 flights, in 2028-5 flights</i>
Domestic flights	5	5	5	Flights within the country of assignment during service delivery, based on operational requirements to hold events outside Baghdad
CO₂ compensation for air travel	11	140.00 EUR	1,540.00 EUR	A fixed budget of EUR 1,540.00 is earmarked for settling carbon offsets against evidence. <i>One-way flight within individual regions within Europe, Mediterranean, Central Asia, North/Central America, South America, Asia (mainland) at a rate of EUR 50</i>
Travel expenses (train, car) Taxi to/from airport in home country	11	11	11	Travel within the country of assignment, transfer to/from airport etc.
Other travel expenses	11	11	11	Visa costs
Other costs	Number	Price	Total	Comments

Flexible remuneration	1	10,000.00 EUR	10,000.00 EUR	A budget of EUR 10,000.00 is foreseen for flexible remuneration. Please incorporate this budget into the price schedule. Use of the flexible remuneration item requires prior written approval from GIZ.
Other costs The budget contains participation fee in HEAT training, will be activated if ordered by the RMO Iraq	1	2,100.00 EUR	2,100.00 EUR	The budget contains the following costs 2,100.00 EUR.

Workshops, events and trainings

The contractor implements the following workshops/study trips/training courses:

- Several tailored HCD measures will be implemented by the Contractor. Organization of capacity building measures will be coordinated with Iraqi partner institutions. All logistical and organizational costs (venue, catering, travel expenses, if any, of participants) of the workshop will be assumed by GIZ in coordination with Iraqi partner institutions.

6. Inputs of GIZ or other actors

GIZ and/or other actors are expected to make the following available:

- Workstations on GIZ premises (GIZ Iraq or partner institutions)
- Transportation on site with own project vehicle
- Logistics for workshops: all logistical and organizational costs (venue, catering, travel expenses, if any, of participants) of the workshop will be assumed by GIZ in coordination with Iraqi partner institutions.

7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English (language).

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English (language).

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.

8. Outsourced processing of personal data

The data protection and information security provisions set out in the currently applicable version of the AVB apply.