



SOMALI FEDERAL REPUBLIC
Ministry of Labor and Social Affairs

TERMS OF REFERENCE

Terms of Reference (ToR) for Project Implementation Unit Manager SNHCP Program

Financial Management Specialist

1. Background

A Financial Management Officer Specialist (FMS) is required to support the Federal Government of Somalia (FGS) in the implementation of a World Bank-funded Program, the Shock Responsive Safety Net for Human Capital Project (SNHCP, P171346). The project development objective of SNHCP is to provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system. The project is targeting effectiveness by September 2019. In support of activities under SNHCP the FGS seeks to hire a FMS as part of the project implementation unit (PIU).

2. Project Overview

FGS has secured a grant from the World Bank (WB) the IDA's pre-arrears clearance grant to be applied towards implementation of SNHCP over a three-year period. The SNHCP Program consists of three components.

Component 1: This Component would provide unconditional cash transfers to households that are chronically poor and vulnerable to drought and malnutrition and link them to complementary nutritional support programs. The objectives of the component are: (i) support households to strengthen their resilience and avoid negative coping mechanisms (e.g. selling off existing households' assets) to meet escalating needs as a result of the drought in the short term; and (ii) promote human capital investment in the medium to long term by linking beneficiary households to complementary nutrition services (where they exist) and continuing to smooth consumption gaps through predictable and reliable provision of cash transfer, even after drought risks are no longer present. Around 200,000 beneficiary households (approximately 1.2 million individuals) with children under five years of age will receive a monthly payment of US\$ 20 delivered on a quarterly basis, initially for a one-year duration. The benefit size has been based on estimates and initial data on prices of the minimum expenditure basket (MEB) for food. While food prices vary significantly by region and season, rough estimates indicate that a US\$ 20 benefit would cover on average about 50-70 percent of the MEB, based on the December 2018 price data. Mothers or female caregiver of the children would be the direct recipients of the transfer.

Component 2: This component would establish the key building blocks of a SP delivery system and advance policy development, as well as strengthen institutional capacity of relevant government ministries to manage and implement it. The objective of the component is to build capacity of FGS/MoLSA to gradually take over full management and implementation of a safety net program

and form the foundation for a more comprehensive social protection system in Somalia. The component will provide policy support; technical assistance for the development of safety net delivery systems: a unified social registry, MIS, operational procedures for registration, enrollment, targeting, grievance redress, payment delivery, monitoring, community outreach and information campaign; and capacity building activities.

Component 3: This component would establish a Project Implementation Unit (PIU), strengthen MoLSA's coordination arrangements, promote learning and knowledge management through robust M&E and support explore a design of a pilot productive safety net targeted at youth. Specifically, the PIU would be established at the federal level at MoLSA during the first year. Subsequently, separate antenna PIUs or Focal Points would be created in each of the member states. Focus would also be given to strengthening MoLSA's coordination arrangements within other ministries and stakeholders at the federal level, and between the federal level and the Member States at the local level.

3. Project beneficiaries

The SNHCP is expected to target 200,000 poor and vulnerable households (approximately 1.2 million individuals) in the six states of Somalia and provide them with nutrition-linked cash transfer. Targeting of beneficiaries will be conducted in three stages: (1) selection of districts, (2) selection of communities in the targeted districts, (3) community-based targeting (CBT) of households in selected communities based on the household eligibility criteria.

4. Implementation arrangements

Component 1 will be implemented by FGS with a PIU embedded within the Ministry of Labor and Social Affairs in Mogadishu. The PIU will be supported by the WB Task Team, which will include a Project Task Team Leader and technical consultants based internationally (Washington, D.C. and Nairobi).

The federal PIU will be headed by a Project Manager, and will include an Operations Officer, Communication Officer, MIS Officer, GRM and social risk management officer, M&E Officer, Financial Management Specialist and Procurement officer. The composition of the Focal Points at the member state level will be formed after consultation with State Governments and will be informed by the agreed implementation and governance structure of the national safety net program. Other staffing of the PIU will depend on the need, content, and the scope of the procurement and work plans.

5. Objective and Scope of Work:

The objective of the assignment is for the Project FMS to: (i) perform all necessary FM activities under SNHCP for the period of the assignment, (ii) coordinate the financial management functions with government counterparts located in the implementing Ministries, Departments and Agencies (MDAs), and (iii) provide technical assistance and build the capacity of FM staff within the MDAs.

Project FMS will ensure accountability for and efficient use of project funds. He/she will be in charge of managing and monitoring requests for financial resources and ensure accuracy and reliability of financial reports and will also process requisitions, purchase orders and payment requests, and funds withdrawal requests from the MoF, and ensure monthly delivery updates to the Project Manager on financial delivery performance.

He/she will work in close coordination with the FGS External Assistance Fiduciary Section (EAFS) within the Ministry of Finance, Office of the Accountant General. He/she will manage the financial management activities of the project in strict compliance with: (i) EAFS Manual (ii) the requirements of the Agreement between the World Bank and the Government; (iii) Project Appraisal Document (PAD);(iv) the Project Implementation Manual (PIM) for this project which is based on appropriate financial management best practice and international accounting standards.

Under the leadership of the PIU Manager, the specific duties of the FMS will include:

- i) Carry out financial management training needs analysis across the implementing MDAs and develop a capacity development and training plan.
 - ii) Carry out periodic financial management capacity building and trainings for the implementing MDAs.
 - iii) Maintain all accounting records in line with approved accounting standards and in line with the World Bank's and Government's regulations;
 - iv) Render periodic reports, (i.e. monthly/quarterly/annually) in the formats approved by the World Bank and FGS and in line with the project documents and financing agreement;
 - v) Ensure that disbursements are made in accordance with approved annual budgets and work plans together with the Project management;
 - vi) Ensure that all payments are done in accordance with good accounting practices and in line with the project objectives and financing agreement;
 - vii) Where applicable, ensure that the required the World Bank No Objection letters relating to an expenditure is available before effecting payment;
 - viii) Ensure prompt release of funds once approved to beneficiaries;
 - ix) Ensure that required accounting and submissions of returns by beneficiaries who receive advances are fully supported, complete, accurate and timely;
 - x) Maintain relevant books and records for the Project that reflects the components and activities;
 - xi) Ensure that the filing system of the accounting records are satisfactory at all times and they are easily retrievable for reviews and audit purposes;
 - xii) Ensure that all accounting records are updated promptly;
 - xiii) Prepare monthly bank reconciliations for the project bank accounts, including designated and project accounts
 - xiv) Ensure financial reports are prepared in accordance with agreed formats and in line with the financing agreement;
 - xv) Prepare Unaudited Quarterly Financial Reports (IFRs) and Annual Financial Statements for all Project Funds are prepared and analyzed according to the categories and project components as appropriate, and provide timely reporting of any material variances;
 - xvi) Liaise with the external auditors in carrying out the annual audits of the project;
 - xvii) Together with the PIU Manager, and Operations Officer, maintain, develop and update the financial procedures manual on a regular basis;
 - xviii) Together with the implementing agencies ensure strict adherence to installed internal control systems for all areas of project operation;
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- xix) Together with the implementing partners, ensure that the workplan and annual budget is consolidated and that the total annual budget is reflected in the annual appropriations bill.
- xx) Liaise with the internal/external auditors to get project financial statements audited and follow up any audit queries/management letters;
- xxi) Follow up on “No Objection” from the Procurement Officer where not available and ensure they are properly filed as part of the accounting records;
- xxii) Ensure that no project category/component is overspent without proper authorization from the World Bank;
- xxiii) Working with other project staff, prepare annual work plans and budgets. In addition, review all aspects of the Project work plans and budgets based on the results of operations and changing economic conditions and recommend corrective measures to the management;
- xxiv) Initiate corrective measures to address internal financial shortcomings and irregularities as the need arises;
- xxv) Establish and enhance as appropriate, systems of internal control (goods, works, services, fixed assets, civil works);
- xxvi) Prepare, monitor and interpret cash flow forecasts in consultation with the PIU Manager, the Operations Officer, and the Procurement Officer and implementing entities;
- xxvii) Analyze changes in the forecast and advise the project management accordingly;
- xxviii) Review and consolidate monthly returns to the PIU, implementing entities and Ministry of Finance Office of Accountant General (EAFS) in compliance with Government accounting reporting requirements;
- xxix) Ensure compliance with operating procedures of Government and the World Bank, e.g. Procurement, Disbursements, Designated Accounts, SOEs, IFRs, Special Commitments etc.;
- xxx) Monitor, in conjunction with the Procurement Officer and the PIU and implementing agencies, the financial management aspects of consulting services and other procurement;
- xxxi) Brief the PIU Operations Officer, and the Project Manager on capacity development progress being achieved;
- xxxii) In conjunction with the PIU Operations Officer and the Procurement Officer, monitor performance against agreed Financial Performance Indicators;
- xxxiii) Prepare quarterly and final reports at the end of the contract period outlining achievements, challenges and recommendations pertaining to the financial management function;
- xxxiv) Keep abreast of changes in financial regulations and legislations and ensure the accounting staff are updated on new developments.
- xxxv) Identify key emerging gaps and fiduciary risks that inform the need to revise the EAFS manual and PIM.

6. Statement of Qualifications and Experience:

The candidates should have the following desired qualifications:

- a) Degree in accounting, finance, statistics or business administration (accounting);
 - b) Professional qualification in financial management, registered by and attained final qualification of any financial management related recognized professional body e.g. CIPFA IPFM, ACCA, CPA etc;
 - c) At least 5 years of experience in audit or financial management;
 - d) Preferably at least 2 years of post-qualification experience in financial management directly relevant to public sector and/or international development organization;
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- e) Experience of project financial management in a developing country; experience in a fragile state is preferable;
- f) Excellent written and oral communication skills in English, to deliver technical financial documents, and reports; candidates familiar with Somali language will have an added advantage;
- g) Excellent computer skills in Microsoft Office tools (Word, Excel, and PowerPoint) and Internet use, including database use is required, working experience of IFMIS will be an added advantage

7. Conduct of Work:

- a) **Reporting:** The FMS will directly report on a day to day basis to the PIU Manager. He/she will be expected to closely work with the Operations Officer to smoothly run project operations.
 - b) **Work plans:** The assignment will be managed through a work plan process allied to the quarterly program work plan. The FMS will need to be available for quarterly project reviews either in country or in Nairobi.
 - c) **Deliverables** include:
 - i) Within the first two weeks of the contract and in full consultation with the PIU Manager, prepare a clear work plan on financial management and disbursements and share with the implementing entities and the World Bank. The work plan shall be formally approved by the Project Coordinator and submitted to the World Bank. Refer to Annex I for a sample work plan reporting template.
 - ii) Report regularly to the PIU, implementing entities and to the World Bank on key issues affecting the operations of the project financial activities;
 - iii) Prepare quarterly Interim unaudited Financial Reports (IFRs) which will be submitted to the PIU and the World Bank not later than 45 days after the end of the month or quarter to which the report relates;
 - iv) Prepare Annual Financial Statements for financed projects, within two (2) months after the end of the fiscal year to which they relate. These Annual Financial Statements to be submitted must be ready for audit.
 - v) Prepare summary quarterly progress report on the assignment in the context of the approved work plan. The work plan should identify key milestones and related tasks undertaken within the quarter, emerging risks and challenges, recommendations to mitigate the risks and a projection of the key activities to be undertaken in the ensuing periods. In particular, the report should highlight key financial management knowledge transfer, capacity development and trainings undertaken to the MDA counterpart financial management staff. Refer to Annex II for a sample summary quarterly reporting format. All the quarterly progress reports should be approved by the Project Manager and maintained in project files.
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- d) **Language:** Reports and other documents shall be submitted in English.
- e) **Duration of assignment:** The FMS shall be contracted for an initial one-year period, with possibility for extension based on performance and requirement. All the monthly invoices submitted for payment shall be accompanied by duly approved timesheet by the PIU Manager.
- f) **Facilities to be provided:** The PIU will provide the Project FMS with office facilities, essential utilities, office services, stationery and office supplies and use of a computer, printer,
- g) **Location of assignment:** The duty station is Mogadishu, Somalia. The Project FMS will be based in the PIU within the Ministry of Labor and Social Affairs.

