**TERMS OF REFERENCE**

**FINANCIAL MANAGEMENT SPECIALIST**

**Trade and Transport Facilitation Project**

**and**

**LOCAL ROADS CONNECTIVITY PROJECT IN nORTH Macedonia**

1. **BACKGROUND**

The purpose of these Terms of Reference is to define the scope of work and tasks of the Financial Management Specialist of the Project Implementation Unit in North Macedonia integrated for implementation of the two projects, the Trade and Transport Facilitation Project and the Local Roads Connectivity Project. The Trade and Transport Facilitation Project will be implemented in its first phase in Serbia, North Macedonia and Albania although the Local Roads Connectivity Project will be implemented only in North Macedonia. For the purposes of the Trade and Transport Facilitation Project each of the three countries will set up a Project Implementation Unit (the PIU) to help the execution, implementation and monitoring of the project. The PIU in North Macedonia will be staffed with different expert profiles in order to start working immediately on both projects, the Trade and Transport Facilitation Project and the Local Roads Connectivity Project.

The Trade and Transport Facilitation Project Phase 1 will include a combination of investments, technical assistance and regulatory and institutional reforms. It will primarily focus on adoption and implementation of a National Single Window (NSW) solution, improvements in border crossings in selected trade corridors, BCP at Deve Bair and BCP at Kjafasan, deployment of an Intelligent Transport System (ITS) on the A1 motorway, which is part of Corridor X, and technical assistance.

The Local Roads Connectivity Project (the LRCP) is envisaged to support the selected municipalities by investments in reconstruction, rehabilitation and upgrading of local roads/streets that will enhance their mobility, connectivity and road safety. Moreover, the investments may include: sidewalks, bike paths, street lighting, slope and lands lading stabilization, junction improvement, pedestrian crossings, water drainage and capacity building of the municipal staff.

These present Terms of Reference relate to the Financial Management Specialist of the PIU in North Macedonia. The Ministry of Transport and Communications (the Client) intends to engage a highly qualified individual consultant to provide services as a Financial Management Specialist of the PIU. The successful candidate will work closely with the Client and other relevant stakeholders to ensure that the project is managed efficiently and in compliance with the objectives of the Projects Appraisal Documents (PADs), the Project's Legal Agreements and Financing Agreements, and the Project Operating Manuals. The Consultant shall interact, liaise and cooperate with a significant number of different Project Officers, shall interact and liaise with a significant number of different Ministries and Municipalities through their focal points, a number of other external bodies, the World Bank, partners, and other agencies in the Western Balkans. Creativity and initiative are therefore required to cope with such diverse demands. The Financial Management Specialist of the PIU will have numerous tasks and activities and will also have to interact with many stakeholders at the same time. The main challenge is to ensure that the contractors / consultants produce an acceptable quality of work within budget allowances and time, so that the objectives of the Projects are achieved.

**2. GENERAL INFORMATION**

Individual Consultant Title: Financial Management Specialist of the Project Implementation Unit, Trade and Transport Facilitation Project and Local Roads Connectivity Project. The Consultant shall report to the Project Director, linked to the Minister of Transport and Communications of Macedonia.

**3. POSITION IN ORGANISATION**

Immediate superior: Project Director

Titles of immediate subordinates: Project Officers, between 11 and 17 staff

**4. MAIN POSITION OBJECTIVE**

To plan, monitor and control all project financing activities by components, in close cooperation with the Ministry of Transport and Communications and other stakeholder agencies (as described in the Project Operation Manuals to be developed). In addition, he/she will develop, according to the project cycle and Procurement Plans, the implementation of activities as per contract specifications and in compliance with legal/regulatory framework of the World Bank. Thus, he/she will ensure that the works, goods and services are satisfactorily completed on time and within budget aligned with the contractual requirements.

**5. PRINCIPLE RESPONSIBILITIES**

The Financial Management Specialist of the PIU will be responsible for the following duties: Further develop and operate a financial management system which would include the following aspects:

* Flow of Funds Process, including policies, procedures and arrangements for receipt of funds from various sources to the Project(s), and flow of funds within the Project(s) to the various implementing entities.
* Accounting System, that covers Entire Project(s) i.e. all sources of funds for the Projects(s) (e.g.: Government of Macedonia, WB, and other donors); and all utilization of funds. This would include:
  + 1. *Chart of Accounts:* The Chart of Accounts would be used to: (a) capture financial data under appropriate headings; and (b) classify and group financial data for the various financial reports. The structure of the Chart of Accounts should cater for data to be captured by: (i) Project(s) components and sub-components; (ii) expenditure categories; (iii) WB disbursement categories for the Project(s); and (iv) implementing entities.
    2. *Financial and Accounting Policies*: Simple, clear and transparent financial and accounting policies, which would govern financial management of and accounting for the Project(s) should be developed. These would include both: (i) Accounting Policies for accounting and financial reporting for the Project(s); and (ii) Financial Policies and Procedures e.g. policies and procedures for transfer of funds and accounting for expenditures (including payment of advances, recovery of amounts); policies regarding expenditures which can be treated as Project(s) expenditures, and the classification of these expenditures under appropriate headings in the Charts of Accounts; etc.
    3. *Design of formats of the various accounting books*, records and statements e.g., cash and bank books, journals, various ledgers, trial balance, voucher formats, etc.
* Financial and Accounting Procedures. The most important considerations in the various procedures are: (i) a satisfactory system of internal controls: and (b) smooth working/operation of the financial system. These procedures should incorporate standard internal checks/controls such as delegation and separation of duties, authorization of transactions, physical custody of assets, periodic and regular reconciliations, independent verification, in conformity to Project procurement policies and procedures, etc.
* Preparation of Budgets: The budgeting system should be integrated with the accounting System to enable comparison of actual performance with budgets/targets.
* Preparation of Financial Forecasts: Financial forecasts should be based on projected work programs and actual performance. Forecasts should include both short-term forecasts (say 2 quarters), and longer-term forecasts over the life of the Projects.
* Procurement and Contract Administration Monitoring: Develop and implement a solid system for monitoring of procurement processing of contracts. This system should be linked to the financial accounting system wherever needed.
* Financial Reporting: Preparation of the various periodical financial reports for the Ministry of transport and communications, World Bank and others stakeholders. The financial reports should provide quality and timely information to Project management, implementing entities, and various stakeholders on Project performance. The financial reports should also include all the Project Management Reports (financial statements, output monitoring reports, and procurement management reports).
* Support the Auditing Arrangements: Safe custody of all financial records for review by Bank Missions and External Auditors.
* Assist the Project Director in preparing the PIU Reports (quarterly, midterm and completion).

The financial management system should conform to the relevant polices of the Government of Macedonia and should also conform to the relevant guidelines and operational policies of the World Bank. Running of accountancy, preparing and submitting financial statements according the Budget and Budget's Users Accountancy Law of Republic of Macedonia.

**6. DURATION AND LOCATION**

It is expected that the period over which the consultant shall provide the Services will be 66 months, in all cases not less than up to the end of the two projects life. The Consultant should be available to commence in 45 days the latest after the present notice will be published. The assignment is full time and the Consultant should be available to provide services for at least 8 hours each day, Monday to Friday, for a minimum period of 40 hours per week. The remuneration will be paid on a monthly basis. Subject to notice being provided, the Consultant may take up to 25 working days leave each year, but remuneration will not be paid during any period of leave. The Consultant will be stationed in the PIU premises in Skopje, but should be ready to travel throughout the country for attending meetings. The Consultant will be offered opportunities to develop professionally by attending relevant World Bank training events and courses during the term of the contract. A downstream work might be needed, in case of extension of the relevant Projects’ duration, and subject to Client’s business needs under the Projects and subject to consultant’s satisfactory performance.

**7. REPORTING REQUIREMENTS**

The Consultant will brief regularly the Project Director on the progress in respect to the contract tasks performed. The Consultant will provide/submit to the Project Director Monthly Progress Reports to the Project Director, within 10 (ten) days after the end of month for which the report is due. The report should contain at least: (i) the status of progress, problems encountered, corrective actions needed, rationale for actions; and (ii) current costs of each Program’s components and estimated costs of completion. The Consultant shall prepare ad-hoc reports on any major project financing issues raised during Projects implementation, at the Project Director, Client or Bank's request.

1. **SERVICES TO BE PROVIDED BY THE CLIENT**

The Client will be responsible for provision of the following:

* Fully equipped office space, with access to Internet, local telephone line, printing, photocopying and document binding;
* Access to necessary documents ; and
* Where the Consultant is required to travel, to site or elsewhere in accordance with the Client’s instruction, transportation costs will be borne by the Client.

**9. KNOWLEDGE, EXPERIENCE, SKILLS AND COMPETENCIES**

a) Educational qualifications: At least a University Degree in Economics/Finances/Accounting (where a university degree has been awarded on completion of a minimum of three years of study in a university or equivalent institution);

b) Area of professional expertise: Accounting/Financial Management;

c) Years of experience: Minimum of 3 years of relevant professional experience in Financial Management;

d) Additional qualifications or training: Risk Management/Contract Management;

e) Required skills and competencies:

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| Skills/Competencies | Required | Desirable |
| Technical | Good understanding of national financial management regulations and systems  Computer skills: Word, Excel; | Experience in Financial Management of projects financed by international donors or IFIs |
| Management | Self-Planning & Organizing  Problem Solving  Work under pressure  Communication  Teamwork  Initiative |  |
| Business | Excellent Knowledge of English language (speaking and writing)  Fluency in Macedonian language |  |