

Terms of Reference (TOR)
For
Financial Management Consultant for
Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) Project

A. Introduction

Bangladesh is extremely vulnerable to the effects of climate change. The Global Climate Risk Index ranks Bangladesh as the world's seventh most affected country over the period 1999-2018. Rising temperatures leading to more intense and unpredictable rainfalls during the monsoon season and a higher probability of catastrophic cyclones are expected to result in increased tidal inundation. Besides, Bangladesh is also a deltaic country consisting of floodplains created by over 300 rivers and channels, including three major rivers: the Ganges, the Brahmaputra, and the Meghna. 25 percent of the country is less than 1m above sea level and 50 percent is less than 6m above sea level. Bangladesh is located at the foot of the highest mountain range in the world, the Himalayas, which is also the world's highest precipitation zone. During monsoon seasons, the winds from the sea towards the land raise the water levels in the Bay of Bengal, inhibiting drainage from these rivers to the sea. As rainfall is also high during monsoon seasons, river flows, local rain, and raised levels for the Bay of Bengal result in flooding of vast areas in Bangladesh. Floods are especially destructive when peak flows in these rivers occur at the same time.

Flooding in Bangladesh is a near-constant phenomenon, recurring with varying magnitude and intensity, affecting a greater population than any other natural hazard. Floods and riverbank erosion affect about one million people annually in Bangladesh. Once every three to five years, up to two-thirds of Bangladesh is inundated by floods. Runoff and peak 5-day rainfall intensity (a surrogate for an extreme storm event) are projected to increase. Such disasters have both direct effects (such as loss of lives and property) and indirect effects (such as loss of employment and income, reduced access to products and services, and the opportunity cost of resources that need to be diverted to relief and rehabilitation) as well as disrupting effects on rural economies, accelerating rapid urbanization and migration. Recent studies estimate that by 2050 Bangladesh could have 13.3 million internal climate migrants. Additional rural-urban migration would have significant consequences for air and water pollution and unsustainable consumption of natural resources while putting additional pressure on urban labor markets. Addressing climate risks is increasingly becoming urgent to ensure sustainable economic development of the country.

In the above backdrop, Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) Project aided by the World Bank with the project development objective (PDO) to reduce the vulnerability of people in targeted communities to riverine and flash floods, improve the country's capacity in disaster preparedness and response. The objective has been planned to achieve through the implementation of the following activities:

I. Resilient Flood Shelters and Community Infrastructure: This component will finance land raising and construction of climate-resilient flood shelters in targeted flood-prone villages in non-coastal districts, installation of lightning protection systems, construction and/or rehabilitation of associated climate resilient shelter connecting and community roads, and resilient infrastructure as identified by the community including climate resilient culverts and bridges, repair, rehabilitation of rural markets, repair and rehabilitation of landing stages (river jetties), and installation of solar powered street lights. The construction, repair and rehabilitation of infrastructure conducted under this component will implement energy efficient practices and equipment to reduce GHG emissions associated with the project activities. Additionally, where possible, the activities will use locally sourced material to reduce GHG emissions associated with transportation for procurement. This component will also cover the social and environment management in the proposed project intervention areas.

II. Strengthening Capacity for Disaster Preparedness and Response and Technical Assistance: This component will finance goods and services to increase the capacity of LGED and communities to plan, manage, and recovery from floods, and strategic studies to increase long-term disaster and climate resilience. To enhance

the capacity of LGED, these include setting up contingency planning for emergency preparedness and evacuations, updating the shelter database, improving the disaster loss and damage assessments and reporting system, and establishing Operation and Coordination Center (OCC) in Upazila, District and Regional level LGED offices as well as in HQ. Activities to enhance the capacity of communities include CBDRM activities with local organizations such as the Union Disaster Management Committees (UDMCs) on basic competencies to improve health and safety during floods, community risk mapping, training of School Management Committees (SMCs) on shelter management and updating and training on community operation and maintenance guidelines of shelters.

III. Project Management, Design, and Supervision, Monitoring, and Evaluation: This component will support the Government in implementing the project, and in coordinating all project related activities, monitoring, technical assistance, and training. It will include: (i) establishment of a Project Implementation Unit (PIU) within the Local Government Engineering Department, and consultancy and technical assistance for construction detailed design, procurement support, and construction supervision, preparation and implementation of safeguard instruments; (ii) capacity development of the PIU and communities in participatory planning and investment; (iii) monitoring and evaluation; and (iv) technical assistance and training in such areas as disaster management and preparedness, climate change adaptation and mitigation, construction, contract management, financial management, preparation of environmental and social assessments, and preparation of safeguard instruments. It will also provide resources for strengthening the flood preparedness and management program. The management, design and M&E activities under this component will integrate climate adaptation and mitigation measures and parameters.

IV. Contingency Emergency Response: The objective of this subcomponent is to cater to unforeseen emergency needs. In case of a major natural disaster, the Government may request the Bank to re-allocate project funds to this component (which presently carries a zero allocation) to support response and reconstruction. Disbursements under CERC will be contingent upon the fulfillment of the following conditions: (i) the Government of Bangladesh has determined that an eligible crisis or emergency has occurred and the Bank has agreed and notified the Government; (ii) the Ministry of Finance has prepared and adopted the Contingent Emergency Response (CER) Implementation Plan that is agreed with the Bank; and (iii) LGED has prepared, adopted, and disclosed safeguards instruments required as per Bank guidelines for all activities from the CER Implementation Plan for eligible financing under the CERC.

Major activities include 500 nos. Primary School cum Flood Shelters, 100 nos. Construction/Installation of Solar PV Nano-grid System, Raised land above Flood level 200 nos, Improvement of Flood Shelter Connecting Road- 275km, Construction of Bridges- 500 m, Construction of Culvert- 1330m, Improvement of community infrastructure Road- 110km, Solar Street Light- 6600 nos, Installation of Protection System- 1400nos..

The project is being implemented in 78 Upazilas of 14 Districts of Bangladesh. These 14 Districts are Kurigram, Lalmonirhat, Rangpur, Nilphamari, Gaibanda, Sirajganj, Pabna, Bogura, Gopalganj, Rajbari, Madaripur, Faridpur, Sunamgonj, Hobiganj.

The LGED intends to hire a Financial Management Consultant under Individual Consultant selection (National, Open Market Approach) following World Bank Procurement Regulation July 2016 (Revised in November 2020) for services of financial management of the project having Package no. LGED/RIVER/21-22/IC-2. It will be financed by the World Bank.

B. Objectives of the Assignment

The objectives of the financial management consultant (hereafter referred as ‘the consultant’) are to carry out the financial management jobs of the project in accordance with the guidelines, rules, regulations, policy, procedure of IDA and Government of Bangladesh.

C. Scope of Services

The scope of the consultant will cover but not limited to the followings:

1. **Financial Management system for RIVER Project:** To update and ensure continuation of sound financial management procedure at RIVER Project, LGED - in accordance with regulations of Government of Bangladesh and IDA. Ensure that all policies and procedures are in compliance with funding source policies, procedures and requirements and review the efficacy of internal controls in place and suggest adopting best practices to improve internal governance and to reduce opportunities for irregularities.
2. **Budgeting:** Assist the Project Director of RIVER Project in consolidating the project budget on the basis of approved procurement plan and implementation plan. S/he will assist the Project Director in ensuring that the expenditure is made within the budget and variance if any has a valid justification and is duly authorized. The consultant will provide a variance analysis as part of the quarterly Interim Financial Reports (IUFs). S/he will also have to provide some standard ratio analysis and carry out taxation accounting for VAT, TAX, CD etc.
3. **Development of a Chart of Accounts:** The Consultant will develop/update a comprehensive Chart of Accounts for the project to capture financial data under (i) GOB code of accounts (ii) project components and sub-components (iv) World-Bank disbursement categories for the project so as to classify and group financial data for the various financial reports as required by WB and various GOB agencies. Maintain the accounting system for the Project, utilizing standard accounting procedures, which will ensure full documentation and recording of sources and uses of funds.
4. **Computerized Accounting System:** The Consultant will arrange to implement a Computerized Accounting System (CAS) to capture financial data of all implementing agencies. S/he would be fully conversant with the system and train up other accounting staff in its operation and be responsible for keeping it going. The consultant will arrange to maintain the books and meet the financial reporting requirements using an MS Excel based system until the computerized system is functional. Ensure that the computerized fixed assets records are maintained in the PIU identifying location and user of each asset and arrange for the annual and periodical inventory of the assets and updating of the records.
5. **Disbursement Plan:** The consultant with the assistance of project accounting staff and in consultation with other staff involved in project implementation, would prepare the annual, quarterly and half yearly disbursement forecasts of the project in line with project's procurement and implementation plan, budget and get it approved by the PD for the purpose of using it in preparation of the quarterly/half yearly financial report for disbursement.
6. **Fund Management:** The consultant would assist the PD in obtaining quarterly fund release for GOB allocated fund and requisite government approval. Ensure proper use of funds for the project activities, managing fund including operation of a designated account, timely replenishment, monitor timely preparation of Bank Reconciliation Statements and initiate and respond to all fund and bank related correspondence with GOB and IDA. Process withdrawal applications prepared to draw down World Bank funds for all activities. Review and verify accuracy of information on payment vouchers before signing of checks. Prepare payment vouchers before cheques are written for all Project related expenditure. Manage Project expenditures, ensuring full compliance with GoB rules and procedures.
7. **Replenishment of Fund:** The consultant will exercise due diligence to ensure the genuineness, appropriateness of all financial information in the withdrawal application before preparing the consolidated replenishment request to IDA.
8. **Processing Payments:** Ensure appropriate continuous arrangement in place for smooth processing, approval and payments of bills for procurement of goods, works and services for the project from all sources of funds complying with relevant GOB/IDA rules, maintaining requisites files, records and books, following internal control and safeguard measures. Review accuracy of payment vouchers and cheques. Review receivables and payables and ensure prompt settlement of payables to the Project's suppliers and contractors.

- 9. Internal Control:** Ensure that all policies and procedures are in compliance with funding source policies, procedures and requirements and will review the efficacy of internal controls in place and suggest adopting best practices to improve internal governance and to reduce opportunities for corruption
- 10. Books and Records:** The consultant will coordinate with implementing agencies to ensure maintenance of the adequate registers, books and records in appropriate order to meet the statutory requirements of stakeholders and to facilitate classification and analyzing the financial information for monitoring the project progress.
- 11. Fixed Assets Record:** Ensure that the computerized fixed assets records are maintained in the RIVER Project identifying location and user of each asset and conduct annual and periodical inventory of the assets and update records.
- 12. Preparation of Financial Statements and Reports:** The consultant will ensure that the annual financial statements and other monthly and quarterly reports as specified under the GOB Project Accounting Manual and Interim Unaudited Financial Reports (IUFs) required under the Financing Agreement are accurately prepared and submitted in due time. The Consultant will make sure of pragmatic cash forecast for half yearly while preparing the UFRs. The Consultant will ensure that Interim Un-audited Financial Reports (IUFs) are produced on a quarterly basis showing project progress on a user-friendly format and submit the same to IDA within 45 days from the end of each calendar quarter. The FMS will also be required to ensure timely submission of the other financial reports to Ministry of LGRD and other stakeholders.
- 13. Interface with External Auditors:** The consultant along with the FM staffs will attend entry and exit meetings with FAPAD auditors, facilitate timely completion of audits by arranging timely submission of annual financial statement in appropriate format, supply of information and documents responding to queries, initiate actions for holding tripartite meetings and coordinating with various agencies in meeting audit objections. The FMS will prepare the consolidated financial statement and submit to the Chair, Steering Committee with copies to the Secretary of ministry with management letters addressed to head of agencies, assist the PD in publishing the project audit reports in the project website.
- 14. Internal Audit:** The consultant will take initiatives in consultation with PD to finalize the TOR for Internal Audit (internal audit) which would be conducted throughout the project by an external firm. The FMS will prepare an Action Plan and provide recommendations to the PD on corrective actions to the issues that would be raised in the Internal Audit Report. The FMS will present the internal audit report findings to the Project Steering Committee for its review and instructions to follow up.
- 15. Special Assignments:** Assist Project Procurement/Tender Committee in performing their activities; assist/advise the PD in all financial matters as and when required.
- 16. Supervision and Training:** Supervise Accounts Assistant(s) and other accounting staff of the project and will provide hands on training to the accounting staff on various aspects of financial management tasks under a structured training plan.

D. Duration of the assignment:

Duration of the consulting services would be initially 60 months from the date of commencement which may be extended for basis on the requirement and performance.

E. Educational Qualifications and Experiences:

- Master of Commerce in Accounting/Finance or MBA with major in Accounting/Finance. Candidate having professional accountancy degree (CA/ACCA/CMA/ equivalent) will get preference.
- Fifteen (15) years' experience in financial management of which ten (10) years' of similar experience.
- Candidates with experience with IBAS++ will get preference.
- Experience in World Bank's disbursing & reporting requirements and Experience in working with World Bank or similar financiers' funded projects will be added advantage.

- Fully conversant with and have had hands on experience in computerized Accounting System.
- Excellent verbal and written communication skills in both Bangla and English.

F. Reporting Requirement

The consultant will submit monthly report of assignment done & planning for next month. S/he will assist PD to ensure that all financial management related reporting is completed on time to enable the Project to meet the deadlines of various GOB authorities and the World Bank

G. Institutional Arrangement:

The consultants will work closely with the LGED's Project Implementation Unit (PIU) and coordinate their work with other relevant units of LGED, Ministry of Local Government, local administration and relevant ministries and agencies.

Project Director would be designated as Head of the PIU to coordinate all interfaces with the Consultants. Head of PIU with support from the Chief Engineer would also assist the Consultants in resolving various administrative issues which may arise during implementation of the Contract. The Consultant will be responsible to the Project Director (PD) for duly discharging all projects FM functions as set forth in the preceding sections of this ToR with the assistance of other FM staff in the section.

H. Responsibilities of the Client

The Client will make experienced officials available and will ensure that the Consultant has access to all information required and documentation. The Client will provide liaison and communicate with other Government Authorities if and when required for performing the job of the Consultant and facilitate different meetings, focus group discussion and workshops based on initial planning.

The Client will provide appropriate office space and other associated logistic facilities to carry out his/her roles and responsibility. The Client will also provide logistic support for the field visits if necessary.