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TERMS OF REFERENCE FOR LOCAL INDIVIDUAL CONSULTANTS

Services/Work Description:	Financial Management Consultants for Regional Industry Park Development Corporations
Project/Programme Title:	Industrial Development Programme
Duty Station:	Amhara, Oromia, Tigray and SNNPRs
Type of the Contract:	Local Individual consultants (4 consultants, one per region)
Supervisor:	National Programme Coordinator (NPC)
Duration:	1 year
Hiring Unit:	Ministry of Industry
Expected Start Date:	01 December 2016

1. Background

The Government of Ethiopia is expediting its industrialization through the development of industrial parks, integrated agro parks and SME clusters infrastructures to attract quality investment and facilitate ease of entry and reduce transaction cost and time. In addition to Federal Government, Regional Governments are also expected to construct and run regional industrial parks and clusters as public entities or PPP. To make the development of industrial parks across regions independent and self-sustaining, regional industry park development corporations (RIPDCs) that would be in charge of construction, development and management of parks and clusters have been established. The RIPDCs are expected to mobilize their own financial resources to construct the regional industry parks and run the facilities as business entities. The RIPDCs were established recently and there is a need to build their human, operational and institutional capacity to enable them execute the huge responsibility they are to undertake in an efficient and effective manner during the GTP II period and beyond.

In this regard the Ministry of Industry (MoI), with support from the UNDP, plans to hire 4 Financial Management Advisors to support the four regional IPDCs in Amhara, Oromia, Tigray and SNNPR, respectively.

2. Problem Statement

Despite the fact that regional IPDCs are established, series of capacity building would be required to support these institutions to act as an enterprise to manage the regional industry parks and clusters, commissioning of construction works as well as management of projects and funds. Currently the capacity of RIPDCs to mobilize funds to compensate resettlements, commission designs and construction is limited. The skills required for

preparing bankable proposal to mobilize funds for construction and development of industry parks, SME clusters as well as integrated agro-industry parks is limited. The recruitment process to fully equip the RIPDCs with the required level of human resource, including the Finance Department, is still in ongoing and not yet completed. There is little skill in regional IPDCs in managing resources availed for infrastructure development and use of current financial tools. There is little knowledge of the extent of work required from financial management perspective as CFOs or CEO or finance department in general.

3. Objectives of the Study

The objectives of this assignment is to support the newly established regional IPDCs with all aspects of financial management, as the RIPDCs carry out their finance activities, including mobilizing funds for construction of industry park, SME cluster as well as integrated agro-industry parks. The Financial Management Advisors will lead all initiatives related to finance that will result in prudent, transparent and efficient use of financial resources.

4. Scope of the Responsibility/Activity

To meet the above objectives, the Financial Management Advisor is required to carry out the following specific tasks, among others, to enable the corporations carry out their duties and responsibilities:

- A) To support regional IPDCs in establishing a modern and technology based Finance Department.
 - Identify the appropriate expertise required for the Finance Department, prepare job descriptions, assist in the recruitment of appropriate staff and build the required team.
 - Ensure the establishment of procurement and contract administration.
 - Develop financial management operational manual, to include procurement and contracting procedures for the IPDC.
 - Develop objectives, policies, procedures, programs and budgets regarding the financial activities of the RIPDC to ensure effective and adequate financial and investment policies.
 - Ensure the proper IT system support for all activities of Finance Department.
 - Provide training in the use of financial management software and tools
- B) To support regional IPDCs to establish a Finance Department that has the following capacities:
 - Prepare bankable document / business plan for submission to potential lenders and investors.
 - Mobilize funds for infrastructure development - construction and. development of industrial parks an SME clusters
 - Once the funds are procured, ensure that they are utilized in maximum possible with least cost.
 - Prepare a “pitch book” or similar document necessary on the projects to attract investors.
 - Prepare presentation on the business case of the various projects of RIPDCs to lenders and investors.
 - Assist the RIPDC in the negotiating loan size, interest rates and repayment schedule.
 - Develop a process to track the Institutions and Investors approached for funds mobilization.
 - Develop a system that ensures adequate returns to infrastructure investments, ensure optimum funds utilization.
 - To plan a sound capital structure-There should be sound and fair composition of capital so that a balance is maintained between debt and equity capital.

- C) To support regional IPDCs in managing resources availed for infrastructure development.
- Identify and establish a financial management tool that is appropriate to manage sizable funds mobilized from possibly multiple sources.
 - Ensure proper and timely financial entry on financial systems and closure of accounts.
 - Ensure staff is adequately capacitated (i.e. trained and gain on the job experience) in using the financial management tool selected.
- D) Develop a detailed work plan for at least the key aspects of the finance work, such as:
- Mobilizing Funds – starting with a preparation of a bankable document and system of ensuring regular and adequate supply of funds.
 - Establishing a Finance Department – hiring, developing operations manual, implementing financial systems etc.

5. Deliverables

The Financial Management Advisor is expected to work for 6 months, with possible extension to 1 year and beyond, based on performance. The following deliverables are expected from the Financial Management Advisors with the indicated timeframe:

S.N.	Deliverables or Milestones	Timeframe (indicative)
1	Submit Inception Report including workplan to MOI (Technical Working Group) and the CEO of the IPDC.	Within 2 weeks from start of consultancy
2	Give presentation on the Inception Report and workplan to the CEO of the IPDC and MOI (Technical Working Group)	2 days after submission of Inception Report
3	Based on feedback received, submit a final Inception Report to CEO of the Regional IPDC and MOI (Technical Working Group)	2 days after presenting Inception Report
4	Submit Monthly progress report, including update on activities against work plan	Within 3 days after each month-end (in E.C)
5	Prepare bankable document and submit to the Development Bank of Ethiopia, among others.	Within 60 days from submission of Inception Report
6	Prepare a “pitch book” on the various projects	Within 90 days (3 months) from submission of Inception Report
7	Set-up the Finance Department of IPDC with key staff hired	Within 2 months from start of consultancy
8	Develop Financial Management manual. Deliver for review to CEO of the IPDC; approved by the technical working group	Within 3 months from start of consultancy
9	Identify and launch Financial Management systems appropriate for use by IPDC	Within 90 days (3 months) from start of consultancy
10	Final Presentation on achievements and activity update to CEO of IPDC and MOI (Technical Working Group)	During the 6 th month
	Total	6 months

All reports to be in MS Word Format or MS PowerPoint in English language.

6. Expected Outcomes

- Regional IPDCs have clear skills and knowledge on preparation of bankable document to be submitted to the Development Bank of Ethiopia, among others.
- Regional IPDCs have clear “pitch book” to promote the respective industry parks and clusters.
- Regional IPDCs have Set-up the Finance Department of IPDC with key staff hired
- Regional IPDCs have clear Financial Management manual.
- Proper financial management systems appropriate for use by IPDCs are developed
- A technology based and modern Financial Management Department capable of executing its responsibilities

7. Working and contracting arrangements

The Financial Management Advisor will be based at the RIPDCs and travels to Woredas where clusters are being developed to ensure that their financial management is up to the standard. The one posted in Oromiya RIPDC will also assist the Addis Ababa IPDC as well. The Advisors will report to CEOs of the RIPDC who will be responsible for ensuring that the Advisor is delivering quality outputs as described above under Deliverables and Timeframe. Contracting is done by the MOI.

8. Expertise required

A. *Four Senior-Level Experts in Financial Management and Analysis*

- Minimum of 10 years relevant experience, **demonstrating strong accounting and financial analysis capability.**
- A Master’s degree in Business/Finance/Economics /related area; accounting certification would be an asset.
- Experience working with financial institutions or financial/accounting department of a mid to large size institution in a senior position.
- Knowledge of Ethiopian legal and tax rules implications on financial transactions is desirable.
- Experience in developing bankable document/ business plan.
- Strong work experience with financial/accounting management systems (e.g., Peachtree)
- Project management ability, organizational skills, and attention to details.
- Management experience in hiring, training and building qualified, competent and cohesive team
- Previous experience in setting up a department or a business unit is an asset.
- knowledge of sectors like textiles, agro-processing, and construction is an asset
- Competencies required include:
 - Fluent in spoken and written English.
 - Excellent writing and presentation skills.
 - Excellent work plan developing skills.
 - Excellent problem-solving, analytical, technical, IT and numerical abilities.

- Ability to work under pressure and meet tight deadlines.
- Team builder and player, with excellent interpersonal skills
- Microsoft application packages
- Ability to provide the required expertise and competencies will be assessed through submission of:
 - Detailed CVs of consultants.
 - References on previous similar work.

B. Competencies

- **Problem Analysis:** Demonstrates analytical capability to analyze in financial management, organizational set up, business plan preparation; defines, and analyses operational problems and situations, and designs sustainable solutions to find practical ways around roadblocks. Simplifies complex problems, understands causal links and impact of interventions, and generates solutions to problems based on sound judgment and awareness of the potential implications of these solutions; generates original ideas, and/or utilizes existing solutions/ideas in new and innovative ways supported by high quality advice for the Ministry, FeSMMIDA and Regional IPDCs.
- **Technology and Innovation:** Understands role and potentials of CFOs, financial management, business plan preparation, financial portfolio management, and banking sector, financial industry development, new operational and financial management software.
- **Leadership:** is able to advise the Government officials, SMEs, national stakeholders on how to translate the national and regional SME development goals into achievable targets and work plans.; ability to pull a team together towards change; proficiency in capacity building in finance sector.
- **Team Work:** works collaboratively with others, demonstrating commitment to achieve group objectives, understanding the needs and goals of others and adapting own views and behavior when appropriate
- **Communication:** demonstrates outstanding communication skills, verbal and written, in English. Expected to be able to present information clearly and persuasively; seeking out the ideas and views of others at both a regional and national level; is adaptable but consistently professional, concise and engaging; and ensures that messages are understood and that input from others has been heard.
- **Results / Quality Orientation:** is able to set high standards and maintain the commitment, motivation and energy to achieve them while at the same time ensuring high quality of financial advisory services;
- **Decision Making:** confident in his/her capabilities and judgment and take decisions or make choices while ascertaining the risks and being conscious of his/her responsibilities.
- **Adaptability / Behavioral Flexibility:** Adjusts strategies and behaviors as new information becomes available and as priorities change;

9. Application Process

- **Application Deadline: 15 days**
- Interested applicants should email their CVs to the following email address to: xxxxxxxxxx

10. Duration of the Assignment

The post is project funded and will be hired on a full time basis for an initial period of one year, subject to performance. The first three months will be probationary.

11. Payment Milestones and Authority

The prospective consultants will indicate the cost of services for each deliverable in US dollars **all-inclusive¹ lump-sum contract amount** when applying for this consultancy. The consultant will be paid a monthly payment in 12 installments. Payment will be effected after approving authority confirms the successful completion of each deliverable.

12. Confidentiality and Proprietary Interests

The consulting individual shall not either during the term or after termination of the assignment, disclose any proprietary or confidential information related to the consultancy service without prior written consent. Proprietary interests on all materials and documents prepared by the consulting firm under the assignments shall become and remain projects/property of the Ministry of Industry of Ethiopia.

¹ The term “All inclusive” implies that all costs (professional fees, travel costs (international & local, field mission), living allowances, communications, consummables, etc.) that could possibly be incurred by the Contractor are already factored into the final amounts submitted in the proposal