

## Ministry of Transport and Communications of the Kyrgyz Republic

Third phase of the Central Asia Regional Links Project, financed by the World Bank

### WB PIU Financial Manager TERMS of REFERENCE

#### Background

1. The Central Asia Road Links (CARs) program is the result of a collaborative effort initiated by client governments in the Central Asia region and is financed by the International Development Association (IDA). The overall objective of the program is to increase cross-border connectivity and enhance regional integrated development to revitalize historically active economic exchanges in Central Asia and beyond along the Silk Route. In an effort to bring transformational impact in the region, the program's projects builds synergies with other regional initiatives by multilateral or bilateral development partners such as the Central Asia Regional Economic Cooperation (CAREC) program, the EEU, the Belt and Road initiative, as well as others.

The objectives of the First Phase of the program (CARs-1), which was implemented in Kyrgyz Republic and completed in 2019, was to increase transport connectivity between Kyrgyz Republic and Tajikistan along priority cross-border road links in Batken Oblast whilst supporting improvements in road operations and maintenance practices. The road sections to be financed under CARs-1 prioritize connectivity between the Osh and Batken Oblast in the Kyrgyz Republic and Sugd Oblast in Tajikistan as they build lateral spurs from the Osh-Isfana axis to the Tajik border.

2. Third Phase (CARs-3) strives to address regional integration in a more comprehensive approach encompassing both physical and economic connectivity among neighboring countries, also unlocking economic opportunities through promoting local integrated development in a spatially identified area. It was declared effective by IDA on January 30, 2020 and the objective is to increase regional connectivity and support sustainable tourism development in Issyk-Kul Oblast.. It will finance activities related to removing physical bottlenecks with neighboring countries, in particular the Republic of Kazakhstan, and addressing sector specific constraints to create market opportunities for the development of regional trade (agriculture) and tourism in Issyk-Kul Oblast. It shall be implemented by the PIU under following parts, (a) Regional Connections, Associated Facilities and Equipment in Issyk-Kul Oblast; (b) Aviation Safety and Service Provision, and (c) Sustainable Tourism development in Issyk-Kul Oblast.

3. The Ministry of Transport and Communications (MOTC) of the Kyrgyz Republic as the Implementing Agency has established Projects Implementation Group (PIU) which is responsible for the day-to-day administration of project activities for the Central Asia Road Links Program (CARs Program) financed by the World Bank. WB PIU's responsibility include, *inter alia*: (i) the management of designated accounts; (ii) financial management and reporting on the overall project; (iii) ensuring the execution of the audit of the project; (iv) preparation of quarterly financial and bi-annual progress reports; (v) the management of the environmental and social safeguards aspects; and (vi) undertaking all procurement and contract management activities for all components.

4. The Implementing Agency requires a **Financial Manager for the WB PIU** to ensure proper operation of the PIU financial sector in day-to-day administrative and implementation activities related to the Central Asia Regional Links Program (CARs Program) financed by the World Bank. The WB PIU was established based on the order #182 (dd. May 23, 2017) of the Ministry of Transport and Communications of the Kyrgyz Republic.

## **Objective of the assignment**

The key objective of the assignment is to ensure proper operation and performance of the financial sector in day-to-day operation and implementation of the CARs program financed by the World Bank (hereinafter referred to as “projects”), as per the orders and resolutions issued by the Minister of Transport and Communications of the Kyrgyz Republic (hereinafter named “the Minister”).

## **Scope of services and responsibilities**

- Carrying out overall responsibility over the financial management function of projects, including planning and budgeting, accounting, financial reporting, funds flow arrangements, internal control systems, and auditing.
- Maintaining the projects records and accounts according to generally accepted accounting principles and practices and local legislation; ensuring that all project accounts maintained in accordance with the World Bank relevant regulations and guidelines;
- Establishing and operating adequate and reliable financial management system for the projects, including financial planning and accounting system/software; developing, maintaining and updating written financial management policies and procedures for the projects;
- Maintaining contract management/monitoring system for the projects in order to prevent payments against ineligible expenditures as well as overpayments under contracts, Verifying the regular reconciliations of the bank account balances to the project accounts, as well as to the World Bank Client Connection system; conducting regular foreign exchange revaluation of un-disbursed balances of the project funds;
- - Establishing and maintaining procedures and proper internal controls over reimbursable expenditures under contracts and to the WB PIU consultants (such as per diems, transportation and accommodation costs, etc.),
- Establishing and maintaining procedures and proper internal controls over Payroll preparation and over the changes to the payroll, as well as over other major operational expenditures and petty cash transactions;
- Verifying that the procedures for collecting, checking and preparing documentation required for verifying Suppliers’/Contractors’/Consultants’ invoices/payment requests are properly followed. Ensuring that all payments are made on a timely basis and according to contract terms and conditions as well as the World Bank relevant guidelines, regulations, legal agreements and other applicable documents;
- Ensuring the safety, accuracy and validity of bank guarantee letters, insurance certificates (or other warranty securities), verifying the accuracy, reliability and acceptability of the bank guarantee letters, insurance certificates (or other warranty securities), reconciling with the respective terms and conditions in contracts, and ensuring that those documents are kept in a safe place. Registering the bank guarantee letters, insurance certificates (or other warranty securities) in a register and keeping track of the validity date in order to take appropriate action, if needed, before the validity date expiration.
- Preparing, and securing approval of the project’s budgets (including operational costs budget) based on the operating plans of the projects' components/sub-components; implementing financial planning in co-operation with the procurement specialist and other relevant project staff;
- Ensuring the timely preparation of financial reports, progress and monitoring reports to the Kyrgyz Government and the World Bank and providing the projects' internal and external auditors with all information, documentation and explanations required for the purposes of audit; ensuring that the project accounting system is reliable for preparation of the project’s quarterly Interim Un-

audited Financial Reports (IFRs). Preparing and submitting to the World Bank regular IFRs in time and manner indicated in the legal agreements;

- Preparing the project annual financial statements to be audited and coordinating the audit arrangements of the project and cooperating with the auditors; ensuring that all project accounts are maintained in accordance with the World Bank regulations for auditing by independent auditors acceptable to the World Bank and on the terms of reference acceptable to the World Bank;
- Liaising with the taxation, customs and social security agencies and other budgetary agencies in issues relating to Project implementation; estimating and making timely tax payments to the state budget;

Preparation and submission of necessary financial information upon requests of the units of the Ministry of Transport and Communications of the Kyrgyz Republic, other organizations, ministries and state bodies of the Kyrgyz Republic.

- Assisting in financial evaluation of tender proposals: financial turnover, net worth, cash flow of the bidders, checking of bank guarantee.
- Cooperating with the World Bank missions in conducting regular financial management supervisions of the project and properly addressing the observations and recommendations provided;
- Performing other duties related to Financial Management arrangements of the project as may be required. Carrying out all other administrative duties as required ensuring the timely implementation of project financial management function.

### **Reporting Relationship:**

Financial Manager shall operate under the general supervision of the Head of the WB PIU and the Deputy Minister in charge.

### **Qualifications and Experience:**

- Degree in economics, financial management or accounting;  
Possession of CAP/CIPA certificates is an advantage
- Good knowledge of international accounting standards, related financial policies and procedures of major international investment institutions. Knowledge of and experience in the WB financial management policies and procedures is an asset.
- Knowledge of Kyrgyz national tax legislation and experience in preparing financial reports;
- Minimum 5 years of work experience as a financial manager or disbursement specialist or accountant in investment projects with a good track record, of which at least three years in a World Bank-financed project in the role of the financial manager or disbursement specialist or equivalent. The above work experience in the World Bank and other investment financed projects can be waived for candidates with relevant work experience of at least 3 years at an audit company or with a qualification from an internationally recognized professional accounting institute (CPA, ACCA or equivalent), which is a full member (not associate) of International Federation of Accountants (the list of the members can be found here <https://www.ifac.org> website).
- Knowledge of 1C (certificate): Accounting software; Good skills in working with Microsoft Word, Excel, and Internet Explorer.
- Fluency in Kyrgyz and Russian languages;
- Proficiency in business written English.

**Duration of the assignment**

The duration of assignment is 12 months with probation period – 3 months. The term of engagement may be extended by mutual agreement of the parties involved.