

# Terms of Reference

## Financial Management Specialist

### Lebanon Fiscal Management Project (P181155)

#### Project Background

**The Lebanon Fiscal Management Project (FMP – P181155)**, funded by a US\$28.5 million World Bank loan and a US\$5.5 million grant from the Lebanon Financing Facility (LFF), is implemented by the Ministry of Finance (MoF) to strengthen domestic revenue mobilization and public financial management (PFM). The project supports the restoration and modernization of core revenue functions, enhancement of fiscal control mechanisms, reinforcement of oversight institutions, and development of procurement capacity.

The project aims to restore fiscal transparency, efficiency, and accountability through a comprehensive package of technical assistance, IT system upgrades, institutional reforms, and capacity building. Key activities include the deployment of a modern Integrated Tax Administration System (ITAS), improvement of public financial reporting, and service delivery enhancements.

**The project comprises five components:** (i) Stabilizing Core Revenue Functions, (ii) Restoring Core Fiscal Controls, (iii) Revitalizing Oversight and Procurement Capacity, (iv) Project Management, and (v) a Contingent Emergency Response Component (CERC).

The **Project Development Objective (PDO)** is to restore key fiscal functions and promote the accountable use of public resources. Progress is monitored through clearly defined **Performance-Based Conditions (PBCs)**, including timely submission of national budgets, increased tax compliance by large taxpayers, and regular publication of audited financial statements.

A robust financial management (FM) system is vital to ensuring effective, efficient, and transparent utilization of project resources. The Financial Management Specialist (FMS), embedded within the Project Coordination Unit (PCU), will oversee financial operations in accordance with World Bank fiduciary requirements and applicable Lebanese financial standards.

#### Objectives of the Assignment

To ensure effective financial planning, budgeting, execution, monitoring, and reporting of project resources while maintaining full compliance with World Bank FM requirements, national laws, and sound internal control practices.

#### Key Responsibilities

The Financial Management Specialist (FMS) will be responsible for ensuring sound financial planning, execution, monitoring, control, and reporting in accordance with World Bank fiduciary requirements and national regulations. Under the supervision of the Project Manager/Coordinator (PM/C) and in coordination with the Ministry of Finance and relevant stakeholders, the FMS shall undertake the following duties:

### **Coordination and Interfaces**

- Work with the PM/C to prepare the Annual Work Plan and Budget (AWPB) and ensure alignment with the procurement plan, implementation schedule, and disbursement forecast; provide regular budget-vs-actual and forecast updates.
- Coordinate closely with the Procurement Specialist to (i) confirm availability of budget for each package, (ii) reflect contract/payment milestones in cash-flow projections, and (iii) ensure complete supporting documentation for payments.
- Coordinate with technical/component leads to track commitments and planned activities, and flag potential budget shortfalls or reallocations early.
- Coordinate with the Social and Environmental Specialist, as applicable, to ensure E&S-related activities and contractual requirements (e.g., training, monitoring, audits) are adequately budgeted and paid according to contract terms.
- Maintain active coordination with the Designated Account bank/Central Bank on bank statements, signatories (as applicable), and timely reconciliations.

### **CERC Financial Readiness (if activated)**

- Support the establishment/implementation of the CERC financial management arrangements as defined in the Loan Agreement and any CERC manual, including budget tagging, accounting codes, and reporting.
- Ensure that CERC-related expenditures are properly documented, eligible, and reported separately when required.

### ***Financial Planning and Budgeting***

- Prepare and update annual project budgets and disbursement forecasts aligned with the Annual Work Plans (AWPs).
- Develop and maintain disbursement plans in coordination with the Project Manager/Coordinator.
- Design and document accounting policies, internal control mechanisms, and reporting tools.
- Contribute to the update of the financial and accounting sections of the Project Operational Manual (POM).

### ***Financial Transactions and Payments***

- Process all project-related payments, including transfers, checks, direct payments, and petty cash, ensuring compliance with World Bank procedures.
- Monitor and verify payments from the Designated Account and ensure proper documentation, including payment vouchers, contracts, and income tax slips.
- Reconcile monthly bank statements and prepare regular cash flow and payment forecasts.
- Ensure the timely preparation and submission of withdrawal applications for replenishment and direct payments.

### ***Accounting and Record-Keeping***

- Maintain accurate and complete accounting records using the accounting system/financial software adopted for the project (as agreed with the World Bank).
- Ensure timely data entry, reconciliation, and classification in accordance with the Chart of Accounts and Cost Centers.
- Maintain a comprehensive Fixed Asset Register and monitor asset usage and maintenance.
- Ensure all financial documents are well-organized and accessible for audits and supervision missions.

### ***Financial Monitoring and Reporting***

- Prepare and submit quarterly Interim Unaudited Financial Reports (IFRs) to the World Bank, in compliance with agreed formats and timelines.
- Prepare monthly, quarterly, and semi-annual financial statements, including variance analysis.
- Monitor budget execution and coordinate with technical and procurement teams to ensure aligned spending.

### ***Internal Control and Compliance***

- Establish and maintain effective internal control systems covering budgeting, accounting, procurement support, and disbursement.
- Monitor adherence to the financial procedures outlined in the Project Operational Manual (POM), Loan Agreement, Disbursement Letter, and the World Bank’s *Financial Management Framework for Investment Project Financing (IPF) Projects*.
- Identify and report financial risks, and implement mitigation measures as needed.
- Ensure that the World Bank platform “FundsChain” is updated regularly and on a timely basis.

### ***Audit and External Coordination***

- Coordinate with internal and external oversight bodies and auditors, including the external financial auditor and any independent verification / third-party monitoring agents (as applicable).
- Prepare for and support the execution of annual audits, ensuring timely submission of audited financial statements with no major audit findings.
- Address audit observations and implement follow-up actions.
- Liaise with relevant departments in the Ministry of Finance, Central Bank, and other oversight bodies regarding financial issues.

### ***General Responsibilities***

- Timely respond to financial queries and requests for clarification from stakeholders, project partners, and the World Bank Task Team.
- Provide financial data and inputs for the Implementation Status and Results (ISR) and the Implementation Completion and Results Report (ICR).
- Support capacity building and knowledge transfer to MoF personnel to ensure sustainability of financial operations beyond the project duration.

## Duration

The contract duration will be for one year, renewable based on performance and project needs, covering the entire project implementation period.

## Location

Ministry of Finance, Beirut, Lebanon.

## Deliverables

- Approved annual budgets and disbursement forecasts
- Timely recording of all transactions.
- Timely update of “FundsChain”
- Quarterly IFRs compliant with World Bank standards
- Annual audited financial statements with no major findings
- Monthly financial statements and reconciliations
- Timely withdrawal applications and disbursement reports
- Comprehensive fixed asset register
- Financial documentation for supervision missions and audits
- Reports addressing audit recommendations and financial risks

## Qualifications and Experience

- Bachelor’s degree in accounting, finance, economics, or related field; Master's degree or professional certification (e.g., CPA, CMA) is a strong asset
- At least 5 years of experience in FM for donor-funded projects, preferably World Bank-financed
- Deep understanding of World Bank FM policies, guidelines, and disbursement procedures
- Familiarity with accounting software and financial management tools
- Proven ability to produce high-quality financial reports and handle audits
- Strong organizational, analytical, and reporting skills
- Proficiency in English and Arabic; French is an advantage

## Reporting and Supervision

The FMS will report directly to the Project Manager/Coordinator (PM/C) and work closely with the Procurement Specialist and component leads to align budget execution with project activities, procurement timelines, and payment milestones. The Financial Management Specialist should submit a monthly time sheet and invoice no later than 5 days after the end of each month.

## Performance Evaluation

Performance will be assessed semi-annually based on:

Illustrative KPIs (to support objective performance assessment) may include:

- IFRs submitted on time and accepted without major revisions.
  - Monthly bank reconciliations completed within agreed timelines and cleared reconciling items tracked to closure.
  - Withdrawal applications prepared accurately and submitted promptly to avoid cash-flow disruptions.
  - Annual audited financial statements submitted by the deadline set in the Loan Agreement, with timely follow-up on audit recommendations.
  - Up-to-date budget execution and forecast reporting shared regularly with the PM/C and component leads.
- Timeliness and accuracy of financial reports
  - Adherence to fiduciary and internal control standards
  - Effectiveness in managing audits and resolving audit findings
  - Coordination with stakeholders and responsiveness to financial issues

## **Confidentiality**

All financial records, reports, and project-related financial communications shall be treated as confidential and may only be disclosed with authorization from the MoF and the World Bank.