

Fiscal Management Project (P181155)

Terms of Reference (ToR)

International Consultant

for

Integrated Financial Management Information System (IFMIS)

Budget Classification and Chart of Accounts (BC-CoA)

&

Functional Requirement Specification (FRS)

Background

Lebanon's public financial management system faces persistent structural and operational challenges stemming from fragmented IT platforms, outdated manual processes, and weak fiscal controls. Budget preparation, execution, and reporting are carried out through multiple disconnected systems, including legacy Oracle-based applications and the aging SIGTAS tax system. These inefficiencies delay timely decision-making, undermine fiscal transparency, and weaken the Government's ability to enforce budgetary discipline.

To address these challenges, the Government of Lebanon, with support from the World Bank through the Fiscal Management Project (FMP), has prioritized the development of an Integrated Financial Management Information System (IFMIS). The IFMIS will consolidate budget, treasury, accounting, and reporting functions into a unified platform, generating timely, reliable, and relevant financial information to strengthen evidence-based policymaking, fiscal discipline, and operational efficiency.

Sectoral Context

Public financial management reforms in Lebanon are being implemented under difficult macroeconomic and institutional conditions, characterized by fiscal stress, fragmented governance arrangements, and reliance on legacy processes. The adoption of an IFMIS is therefore a critical reform measure to modernize financial management and align Lebanon with international standards such as the IMF's Government Finance Statistics Manual (GFSM 2014) and the International Public Sector Accounting Standards (IPSAS).

Within this context, key reform priorities include the following:

- **Budget Classification and Chart of Accounts (BC-CoA):** Alignment with international standards to enable multi-dimensional reporting and improve fiscal transparency.
- **Treasury Single Account (TSA):** Establishing the foundation for effective cash management and consolidation of government accounts.
- **Functional Requirement Specification (FRS):** Defining fit-for-purpose functional and technical requirements that simplify business processes, enhance interoperability, and leverage system-based controls.

This consultancy assignment directly supports these reforms by providing technical advice on the BC-CoA and FRS, which will serve as critical inputs for the design and implementation of the IFMIS.

Objectives and overview of consultancy assignment

Selecting and implementing an *Integrated Financial Management Information System (IFMIS)* based on a *Commercial-off-the-shelf (COTS)* software application will take time and must be approached systematically. The Ministry of Finance (MoF), under the Fiscal Management Project (FMP), is seeking the services of an International consultant to conduct a business process review and provide recommendations to support the improvement of its *budget classification and chart of accounts (BC-CoA)*, and *Functional Requirement Specification (FRS)* for implementation of a user-friendly IFMIS. The services will not include provision of software or hardware associated with IFMIS implementation.

Scope of work

The MoF needs support to better understand the good practice system requirements for a fit-for-purpose IFMIS based on the Lebanon context. Therefore, there are issues that need to be more definitively documented for preparation of a *Request for Proposal (RFP)* and for implementation purposes. The International Consultant is required to undertake *Business Process Reengineering (BPR)* including improvements to the *Budget Classification and Chart of Accounts (BC-CoA)*. This will inform the *Functional Requirement Specification (FRS)* based on the tasks below:

- (i) Review and documentation of existing business processes for the PFM cycle including commentary on extant PFM legal framework.
- (ii) Develop roles and responsibilities matrix (*Workflow Approval Hierarchy*) that will be determined by the business process requirements and confirmed by the Ministry of Finance in a manner suitable for inclusion in the RFP.
- (iii) Prepare matrix identifying the full suite of Government users to be connected to the IFMIS together with the licensing requirements based on modular licensing with Named and Concurrent User licenses required for each Accounting Unit.
- (iv) Functional requirements recommendations to simplify PFM business processes by taking advantage of inbuilt system-based internal controls
- (v) A suite of *financial reports* in consultation with the IFMIS Project Team and Ministry of Finance officials to meet specific reporting requirements.
- (vi) A short report identifying the data exchange requirements and format for interfacing with any identified external system that may interface with the IFMIS.
- (vii) Data readiness, including the integration of HR and payroll data and the adoption of biometric registration for public sector employees.
- (viii) Identify the data required for migration to IFMIS.

In undertaking the assignment, the International Consultant shall consider that any acquired IFMIS is expected to be based on implementing a Commercial-off-the-shelf (COTS) software application with minimal customization. The International Consultant will therefore require a sound understanding of the functionality of existing COTS application used in central government situations and accordingly provide guidance and advice to the Government of Lebanon during the assignment. Throughout the delivery of the assignment the International Consultant will also need to consider developments taking place regarding other PFM reform initiatives within the Government of Lebanon to ensure that all advice retains consistent with previous recommendations and reform implementation.

Approach and methodology

Budget Classification and Chart of Accounts (BC-COA).

Improvement of the Budget Classification and Chart of Accounts (BC-COA). The objective is to improve coverage and classification of data to allow for a direct comparison to the original budget for all items of budget estimates. Recommendations will be provided to MoF to improve budget formulation, execution, and reporting based on every level of administrative, economic, and functional classification using International Monetary Fund Government Finance Statistics (*IMF- GFSM 2014*¹). The report will also include a description of each of the structure segments and the methodology for MoF to develop the structure elements. This will support the preparation of annual financial reports with full information on revenue, expenditure, financial and tangible assets, and liabilities in accordance with the *'Financial Reporting Under the Cash Basis of Accounting'*² standard issued by the *International Public Sector Accounting Standards Board (IPSASB)*.

¹ <https://www.imf.org/external/pubs/ft/gfs/manual/2014/gfsfinal.pdf> and Public Expenditure and Financial Accountability (PEFA) Performance Indicator (PI-4) - <https://www.pefa.org/node/4773>

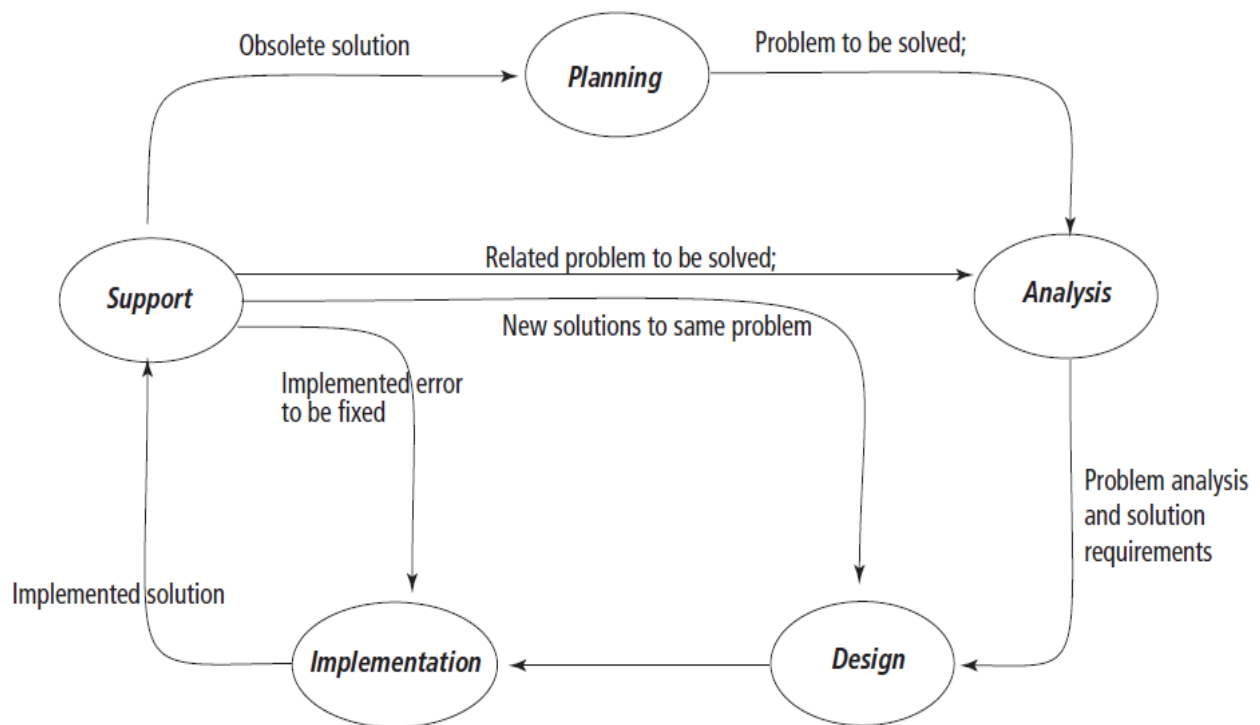
² <https://www.ipsasb.org/publications/revISED-cash-basis-ipsas>

Functional Requirement Specification (FRS)

A key measure for the IFMIS is advice for the optimization of core PFM processes. The assignment will be based on the best practices for covering Architecture, Interoperability, IT Governance, and Strategy. *Structured Systems Analysis and Design Methods (SSADM– Figure 1)* will be followed throughout the *Systems Development Life Cycle (SDLC)* with emphasis on BPR including introduction of commitment controls, online bill submission, and electronic funds transfer.

Pre-requisites for successful implementation of the IFMIS include - *functional* (development of commitment control, establishment of cash forecasting, electronic payment systems, and monitoring mechanisms); ***technical*** (preparation of shared data centers (including disaster recovery center) and plan towards G-cloud); and ***human resource*** (presence of a core team of ICT specialists within PFM organizations). Commentary on the enabling legal framework for digitalization including e-signature and provisions for digitally stored records to be admissible as *prima facie* evidence can be considered for enactment of a revised PFM Law to cater for modernization of PFM practices.

Figure 1: Structured Systems Analysis and Design Methodology (SSADM)

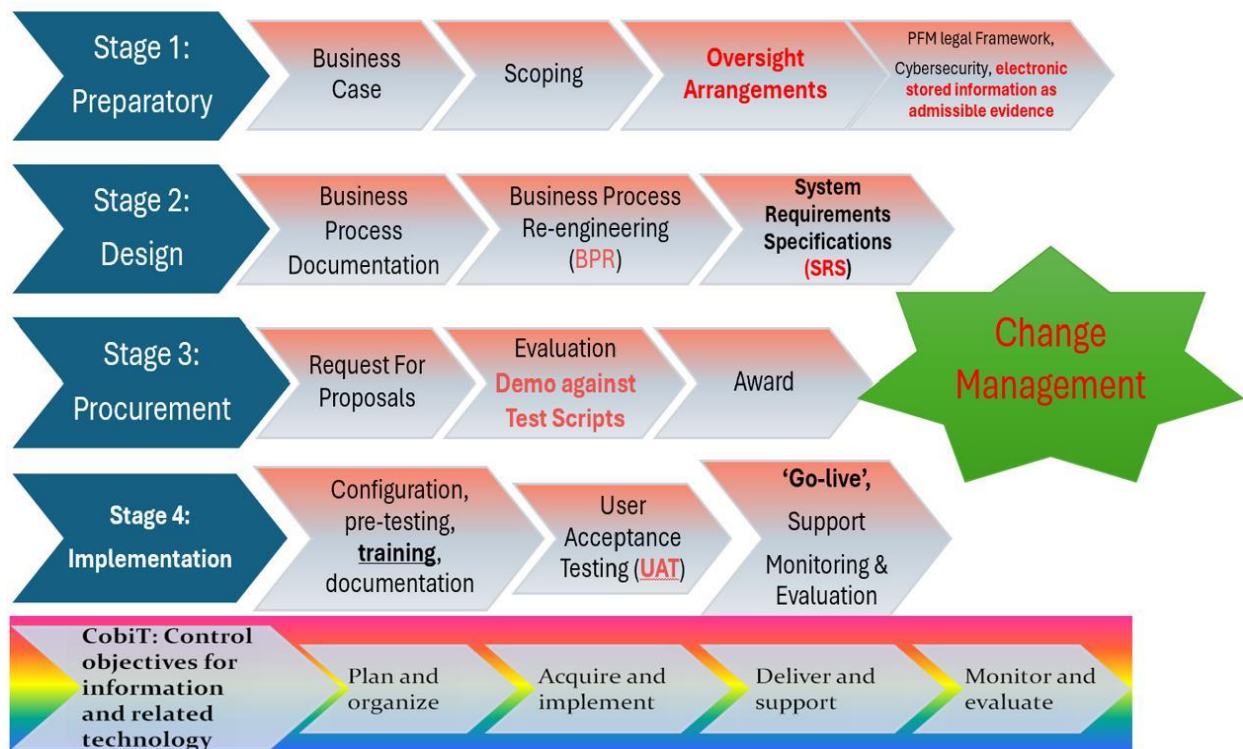


Source Systems Analysis and Design Methods, Purdue University

The recommendation on *FRS* for implementation of the processes and functions in the IFMIS will be delivered in a format suitable for consideration by MoF for inclusion in the *Request for Proposal (RFP) to be prepared by the MoF following the framework for IFMIS acquisition roadmap (Figure 2)*. Duration estimates for acquisition and deployment, as well as options for interconnectivity and interoperability of existing/new PFM systems will also be recommended. The FRS output should be presented progressively to the IFMIS Project Team. Continuous dialogue with the MoF IFMIS Project Team should ensure the final documentation will present no surprises and therefore facilitate speedy consideration and comment by the Government. The FRS report should include:

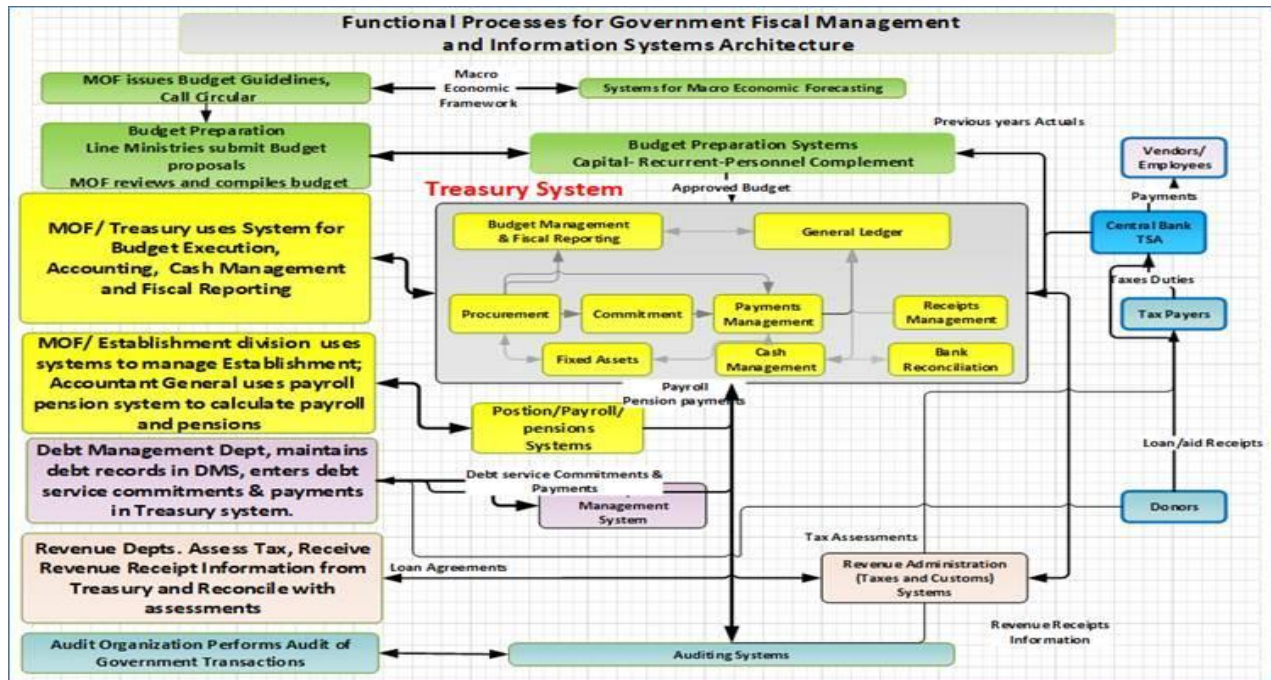
- (i) **Business process reengineering (BPR)**: A report on the existing PFM processes and recommendations to be considered in simplifying processes by taking advantage of in-built system-based internal controls.
- (ii) **Data readiness of PFM, HR and payroll**: an assessment of the existing databases to be imported into the IFMIS and recommendations to MoF on the necessary actions for data readiness for the IFMIS, including the integration of HR and payroll data and the adoption of biometric registration for public sector employees.

Figure 2: Framework for IFMIS acquisition roadmap



The recommended IFMIS design principle is to focus on the core treasury functions in Figure 3. The overall time/cost for the IFMIS will depend on the acquisition/deployment approach. With the expected quick wins by MoF, the recommendation is for MoF to adopt the 'good practice' in Figure 3 and issue MoF Decree/Circular to bring into force the new business processes. This approach will align with MoF's digitalization initiative instead of undertaking a lengthy 'as-is' business process documentation - - basically attempting to computerize the current not so good practice. The better option will be to spend less time on backward-looking 'as-is' documentation and focus on the 'to-be' business processes at a high level to inform the RFP of a fit-for-purpose cloud-based solution.

Figure 3: Typical Functional Processes for Government Fiscal Management



Qualification and Experience

The International consultant should meet the following qualification and experience criteria.

- (i) Degree in Accounting and Master's degree in a related field.
- (ii) Experience in designing and implementing IFMIS including business process re-engineering in at least 3 countries.
- (iii) Experience of revising chart of accounts.
- (iv) Experience working in fragile and conflict-affected environment in MENA region.
- (v) Excellent command of spoken and written English; knowledge of Arabic or French is an asset.

Duration, Reporting and Payment Schedule

The assignment will be carried out over a period of **up to 45 days, starting on May 1, 2026, with deliverables to be submitted by June 15, 2026.** The assignment may be extended, if required, based on project needs and subject to mutual agreement. Throughout the assignment, the International Consultant will work in close coordination with the designated government IFMIS counterparts to

ensure ownership of the process and effective transfer of knowledge and skills.

The International Consultant will report to the FMP Project Manager/Coordinator and will work closely with relevant IT teams and operational and management staff within the Ministry of Finance. The Consultant will coordinate with the World Bank task team, as required.

All deliverables shall be submitted to the Ministry of Finance. Deliverables shall be reviewed and approved by the Ministry of Finance, in consultation with the World Bank as needed under the project arrangements, before payment as per Table 1.

Table 1: Deliverables and Payment Schedule

Deliverables	No of Days	Amount (US\$)
Inception Report	5	
Recommendation on Budget Classification and Chart of Accounts (BC-CoA)	12	
Functional Requirement Specification (FRS)	23	
IFMIS acquisition roadmap	5	
Total consulting fees	45	
<i>Reimbursables</i>		
	Total	

Special Terms & Conditions

- (i) *Intellectual property:* All reports, data, documents, materials, and other outputs produced by the Consultant under this assignment shall become the property of the Ministry of Finance. The Consultant shall not use, reproduce, disclose, or publish any part of the outputs without the prior written authorization of the Ministry of Finance.
- (ii) *Confidentiality:* The Consultant shall maintain strict confidentiality of all project-related documents, communications, and stakeholder information. No information or documentation may be shared externally without prior written authorization from the Ministry of Finance and the World Bank. All records and correspondence shall be handled in accordance with applicable data protection and project governance standards.
- (iii) *Submission of Deliverables:* Electronic copies of all outputs shall be provided to the Ministry of Finance. Deliverables shall include supporting documentation, as applicable. Copies may also be shared with the World Bank for project purposes, as needed.
- (iv) *Review and Approval:* All deliverables shall be subject to review and approval by the Ministry of Finance. The Ministry of Finance may consult with the World Bank task team, as needed, during the review process.
- (v) *Conflict of Interest:* The Consultant shall disclose any potential, actual, or perceived conflicts of interest arising out of other assignments or conflicting involvement in other assignments.
- (vi) *Applicable Contract Conditions:* Unless otherwise noted, the applicable contracting and administrative provisions of the Ministry of Finance shall apply to this assignment.
- (vii) *Extension:* This contract may be extended based on performance, project needs, and mutual agreement of the parties.