



Project No. G/CWG/565

TERMS OF REFERENCE

Technical Assistance to the Ministry of Finance and Economic Development for the rationalisation of the Status of the Single Treasury Account in Sierra Leone

1. Project Background

The Commonwealth Secretariat through the Governance and Institutional Development Division (GIDD) has received request for technical assistance (TA) from the Government of Sierra Leone (GoSL). The request from the Ministry of Finance and Economic Development (MoFED) seeks short-term TA for the establishment of the Single Treasury Account (STA).

Both the IMF and World Bank are heavily engaged in public finance management (PFM) reforms. The World Bank is responsible for managing a donor-financed (including the EU and DFID) Trust Fund that support a substantial and wide-ranging Integrated PFM Reform Programme or IPFMRP – in turn implemented through a dedicated Project Management Unit (PMU) at MoFED.

The Bank-led project comes to an end in July 2013 although an extension is foreseen through to March 2014. A follow-up TA via the World Bank managed Trust Fund is under design that may work in the area of the STA although the precise scope is not yet determined. There is therefore on-going intervention in PFM generally and in the development of the STA and the consultant will confirm the current situation as part of the final report.

The GoSL has undergone three public finance management Public Expenditure Financial Accountability (PEFA) reviews, including one at a sub-national level. The 2010 review of public finances confirmed that whilst there is a STA it is essentially a consolidated Revenue Fund with a number of ad-hoc bank accounts for budget users at commercial banks or at the central bank, with some outside the STA. The 2010 PEFA report highlighted the need to bring this structure toward one that allowed genuine expenditure management capacity and particularly for cash management. Discussions with the IMF and the World Bank have confirmed that this broadly remains the position.

Both EU and DFID (as well as the African Development Bank) will be very interested in possible Comsec intervention given their likely future financing of World Bank led follow-up of the PFM assistance through the Trust Fund.

The relationship between the Secretariat and the Host Country.

- Whilst there is donor intervention there is no overlap as such. The GoSL's request from MoFED for ComSec TA means that ComSec would have a clear high-level advisory opening for dialogue and engagement and therefore tangible value-for-money.
- There is demand and need for independent calibration into an IFI-led process even if there is a mature donor matrix and agreed PFM Road Map with the GoSL.
- Comsec engagement fits very much in the Governance arena: the country has significant governance problems (SL bottom quarter of World Bank's Control of Corruption Index, 123rd out of 176 by Transparency International) although World Bank Governance indicators do highlight limited improvement in terms of accountability, government effectiveness and rule of law. An integrated STA has been shown to be one of the key PFM reforms to improve financial discipline for expenditure management and so any tangible reform in this area fits the GIDD brief.
- The request is partially related to aid-effectiveness and the implied concern about unclear donor commitments and available data on economic impact through in-country projects. The ministry's intent on internalising this data is a positive sign that should be supported but it is outside the IFI-mandates.

2. Purpose of the Project

The purpose of this assignment is to provide MoFED with an assessment and policy advice on the TSA and the cash management issues highlighted on both revenue and expenditure sides. An outline of the project is contained in Appendix I.

3. Overall Objective

The overall arching objective is to assist the GoSL to improve PFM and overall governance in the public sector.

4. Scope of Work

The Consultant will work with the Minister of MoFED to provide advice on how to rationalize the STA. The key demand from the minister is a focus on the National Revenue Authority (NRA) and the surfeit of bank accounts that create governance concerns and impede effective PFM.

The expected results of the assignment should focus on:

- ensuring effective aggregate control over government cash balances;
- consolidation of all government (to general budget level) cash resources;
- minimization of transaction costs during budget execution, by controlling delays in remittance of revenues by collecting banks and speeding up payment of government expenses;
- reconciliation between banking and accounting data;

- efficient control and monitoring of funds; and better co-ordination of monetary policy implementation.

5. Deliverables

- (i) On-going Policy advice to Minister or his delegated representative's as required.
- (ii) An inception report to reach the Secretariat within 2 weeks of commencement of assignment
- (iii) A 20-page long progress report which should be received in the Secretariat no later than 4 weeks after commencement of the project, and
- (iv) A Final Report.

6. Required Technical Expertise and Professional Experience

- A professional accountancy qualification such as ACCA, ACA, CIPFA, or equivalent accountancy qualifications and preferably a relevant post-graduate qualification.
- A minimum of 10 years' experience in Public Finance Management (PFM) with experience in the management of Single Treasury Accounts and Cash Management.
- At least 5 years regional experience in sub-Sahara Africa in PFM reform.
- Some working knowledge of fiscal and PFM issues in Sierra Leone is advantageous, including, but not limited to the understanding of Single Treasury Systems issues such as cash management and the specific nature of the NRA-MoFED relationship.

Proposed Budget

An all-inclusive fee of £30,000 (includes professional fees at the rate of £500 per day plus two economy class airfares plus subsistence allowance plus incidentals). A financial statement detailing fees, airfares, subsistence and other costs (taking into account the ceiling on the budget) must be attached to the proposal.

Duration and Timeframe

The level of effort for this assignment will be for a total of 44 person days over a 3-month period. The consultants are expected to carry out at least two field missions to the duty station. The consultants will be working closely with the Minister at the Ministry of Finance and Development and his appointed staff. The commencement date of assignment is expected to be on or about June/July 2013 or as soon as possible upon award of contract.