

Republic of Kenya



**MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES  
STATE DEPARTMENT FOR FISHERIES AND THE BLUE ECONOMY**

**TERMS OF REFERENCE FOR  
FINANCIAL MANAGEMENT SPECIALIST**

<b>Name:</b>	
<b>Job Title:</b> Consultant: Financial Management Specialist	
<b>Department:</b> State Department for Fisheries and the Blue Economy (SDF-BE)	
<b>Project Name:</b> Kenya Marine Fisheries and Socio Economic Development Project (KEMFSED)	
<b>Location:</b> Nairobi	
<b>Expected Start Date of Assignment:</b> January 2018	<b>Duration:</b> One (1) Year
<b>Reports to:</b> Name: Susan Imende	<b>Title:</b> PPA Team Leader

**1. Background**

On May 2, 2016, in the Executive Order No. 1/2016, the Government of Kenya made a clear commitment towards a new approach, the blue economy, and taking into cognizance the importance of the sector to fuel the country's economic growth, created the State Department for Fisheries and the Blue Economy. The coastal and marine space on which a blue economy is potentially founded contains a myriad of different uses, some currently destructive or unsustainable, while others are renewable, some mutually exclusive and others compatible. More broadly, a blue economy approach is understood as encompassing a better integrated approach to these sometimes-conflicting uses of marine resources, living and non-living (including shipping, fossil energy and mining), and renewable or exhaustive. Too often, priority tends to be given to activities that generate short-term benefits but also have destructive and counter-productive longer-term consequences. In contrast, a blue economy approach is more proactive and embodies the need to focus on longer term sustainability. The Presidential Blue Economy Committee established in September 2016, while recognizing the many sectors in blue economy prioritized fisheries and aquaculture; and maritime shipping and logistic services as priority sectors that would deliver fast socio-economic benefits to the communities in the coastal areas. To strengthen fisheries governance for sustainable utilization and enhanced revenues for the government and employment creation, the government enacted the Fisheries Management and Development Act 2016 in September 2016. The Act established institutions that would strengthen the governance of the fishing industry and aquaculture, and enable investments along the fishery value chains for

socio-economic benefits. The institutions established include the Kenya Fisheries Service, Kenya Fish Marketing Authority and the Fish Levy Trust Fund.

In order to attain economic benefits from the coastal and marine resources, the Government of Kenya (GoK) through the State Department for Fisheries and the Blue Economy (SDF-BE) has requested the World Bank to support the proposed Kenya Marine Fisheries and Socio-Economic Development Project (KEMFSED).

The Government of Kenya has received Project Preparation Advance from the World Bank towards the Kenya Marine Fisheries and Socioeconomic Development Project (KEMFSED). The KEMFSED project covers a period of 5 years. The development project overall goal is to enhance economic benefits and coastal livelihoods from marine fisheries and coastal aquaculture while safeguarding associated ecosystems' integrity. The implementing agency will be the State Department for Fisheries & the Blue Economy (SDF-BE) on behalf of the Government of Kenya. In Kenya, 5 counties along the Coast have been selected to be beneficiaries for the project namely Kwale, Mombasa, Kilifi, Tana River and Lamu.

### **1.1 Project Components**

The project comprises of the following four components:

**Component 1:** Governance and management of marine fisheries and aquatic resources which aims to strengthen marine fisheries and coastal aquaculture governance so as to control over-fishing, maintain or improve stock productivity and enhance associated ecosystem integrity.

Sub-component 1 will focus on coordination and institutional strengthening to ensure fisheries and aquaculture resources are safeguarded in the context of implementing the blue economy framework. Sub-component 2 will be on strengthening existing Fisheries Information System (FIS) to ensure availability of integrated sectoral information to communicate the importance of fisheries and aquaculture sector in broader coastal developments. Sub-component 3 will aim at improving management of inshore/small scale fisheries. Sub-component 4 will aim at improving management of offshore fisheries.

**Component 2:** Promote investment in marine fisheries and coastal aquaculture which aims to promote efficient utilization and value-addition of the resources by increasing investment in the marine fisheries and aquaculture sector.

Sub-component 1 will focus on improving the business environment and private sector investment in the fishery and aquaculture sector whereas sub-component 2 will focus on modernizing fisheries infrastructure to enhance value addition.

**Component 3:** Strengthening Marine Fisheries and Aquaculture-based Livelihoods for Coastal Communities which aims to enhance social and economic benefits that coastal communities derive from sustainable use of marine living resources.

Sub-component 1 will be on strengthening capacity of coastal communities on entrepreneurial and organizational skills and sub-component 2 will aim at enhancing access to finance and grant support.

**Component 4:** This will be on project management which covers establishment and operationalization of a project coordination unit including fiduciary, environmental and social safeguards, and monitoring and evaluation functions.

The project is implemented by the State Department of Fisheries and Blue Economy of the Government of Kenya (GoK).

## **2. Objectives**

Support the Finance and Administration Unit in reviewing the existing internal systems and processes of the KEMFSED and develop improved processes to ensure that the overall financial management system of the KEMFSED is strengthened and robust. The expert will also build the capacity and transfer know how to the staff of KEMFSED and relevant MDAs where necessary.

## **3. Scope of Work**

The Financial Management Consultant will provide support to the Finance and Administration department of KEMFSED, to ensure that throughout KEMFSED implementation there are adequate financial management systems in place both at HQ, sub-national levels and at MDAs (where relevant) and that the KEMFSED is adhering to the PFM stipulations made in the PFMA Act 2012. The Consultant will guide the implementation of these reforms whilst working closely with and building the capacity of the Finance & Administration department, the KEMFSED and MDAs where relevant.

As such, a FM consultant is required to assist with the processes of Financial Management as well as to consolidate the capacity of the Finance and Administration Unit and other relevant KEMFSED staff by mentoring and working alongside them.

The FM consultant will guide the KEMFSED on all FM activities planned under the KEMFSED Plan. The FM Specialist will also ensure that sound technical practices and methods are applied and available when carrying out the assignment. The consultant shall work in close consultation with the Head of Finance and Administration and the head of the Project Coordination Unit.

As part of his/her assignment, the FM consultant is expected to conduct training for KEMFSED employees and work towards building capacity of the KEMFSED on Financial Management and other relevant staff within the KEMFSED.

More specifically, the consultancy shall consist of providing support to the KEMFSED to:

- Develop a Project Financial Management and accounting policies, procedures and guidelines manual
- Develop various financial reporting templates for use by the project
- Review the existing financial management systems, procedures and practices and identify the capacity gaps and areas which may require improve strengthening
- Put in place the necessary procedures, practices and training to fill capacity gaps and strengthen the FMS
- Ensure proper management and disbursement of KEMFSED funds following a sound accounting, budgeting, financial reporting, internal control, flow of funds and audit procedures acceptable to the Government of Kenya
- Together with the groups and Teams within the KEMFSED, participate in preparing the KEMFSED budget
- Preparing monthly, quarterly and annual financial reports for the KEMFSED Project National Coordinator and arrange timely financial information for internal audits of KEMFSED accounts
- Ensuring that all KEMFSED transactions are booked timely and accurately
- Preparing all requests for payments
- Preparing withdrawal applications and their supporting documents according to World Bank and GoK procedures
- Maintaining accounting books in accordance with international accounting standards
- Review invoices and contracts together with the relevant government authorities and the procurement specialist
- Maintain contracts signed as part of KEMFSED implementation and execution of payments under such contracts
- Carrying out control and filing of all payment documents, invoices and other financial documents relating to project transactions
- Ensuring that all documents, information and supporting materials are kept in safe custody and are readily made available to the auditor
- Work with the FMS short term consultant(s) to review and redesign the financial management system database to track funding and expenditure of the KEMFSED and train KEMFSED staff in its use
- Build Capacity and support the existing internal auditing unit
- Undertake technical assessments of staff capacity in F&A at the beginning and end of the contract; provide necessary training to upgrade skills as and when required

Part of the Financial Management Expert's duties will be to guide the Head of Finance and Administration of financial management of the WBProject(s) which involves:

- Maintaining and operating the WB projects designated account and making payments to contractors and service providers and verifying and authorizing payments for all activities under the project
- Working closely with the Principal Accountant Controller (PAC) to oversee and guarantee compliance with financial covenants such as submitting quarterly Interim Unaudited Financial Reports (IFRs), maintaining internal controls over projects expenditure and engaging external auditors
- Facilitating the training of staff members and other stakeholders on World Bank policies and procedures
- Preparing a financial management manual, establishing chart of accounts and having a computerized accounting system installed to carry out activities in accordance with the agreed procedures and provisions of the WB Loan/Grant Agreement, and the national laws and regulations
- Maintaining proper accounting records and preparing financial statements that provide true and fair view and are in compliance with the WB Financial Accounting, Reporting and Audit Handbooks
- Maintaining the projects bank accounts, organizing the process disbursements of amounts from the Loan/Grant account and replenishment
- Ensuring a proper management and disbursement of projects funds following a sound accounting, budgeting, financial control and audit procedures acceptable to the World Bank Group and the Government of Kenya
- Managing and maintaining designated and operation accounts and their reimbursements
- Together with the Project National Coordinator and the Teams within the KEMFSED, preparing the project's budget
- Preparing monthly, quarterly and annual financial reports for the Project National Coordinator and arranging timely financial information for internal and external; audits of project accounts
- Ensuring that all project transactions are booked timely and accurately
- Preparing all request for payments
- Preparing withdrawal applications and their supporting documents according to the World Bank procedures
- Maintaining contracts signed under the project and execution of payments under such contracts
- Reconciling World Bank Disbursements and SOE records to projects accounting records
- Carrying out control and filing of all payment documents, invoices and other financial documents relating to project transactions
- Ensuring that all documents are kept in safe custody and are readily made available to the independent auditor and World Bank Supervision Missions for examination
- Facilitating the audit of project accounts by independent auditors

- Taking prompt remedial action in respect to irregularities detected by the Auditor or World Bank
- Ensuring implementation and compliance with the provisions of the legal agreements between the GoK and WB and with the Project Implementation Manual
- Cooperating with World Bank, Government and other partners to improve project financial management, particularly in terms of following up the action points agreed in the project legal documents, during the World Bank supervision missions and the recommendations of external auditors
- Providing the Auditor with access to copies of all the necessary documentation, information and supporting materials

#### **4. Implementation arrangements**

The consultant will work in close collaboration with KEMFSED accounting staff and the ProjectCoordinationUnit. S/he will report to the Acting Interim Director General of KeFS (Project Coordinator) and will work closely with the Head of Finance and Administration at KeFS. S/he will be required to spend the entire assignment period on-site, in Nairobi, Kenya. S/he will be allowed leave as stipulated in the employment contract.

#### **5. Input provided by Implementing Agency**

Aside from providing office space, KEMFSED will provide the Consultant with administrative support including technical and communication facilities, and a small number of Accounting staff.

#### **6. Expected Output**

The Financial Management Expert will be expected to produce the following outputs during the period of the consultancy:

- a. *An Inception Report* provided one month after commencement of project;
- b. *A Monthly Progress Report* submitted to KEMFSED and the World Bank by the 15<sup>th</sup> day of the next month throughout the assignment;
- c. The development of a financial management manual for the WB projects
- d. The development of a financial management monitoring reports
- e. The project Completion Report summarizing results of the assignment in direct relation to the original terms of reference

The Consultant will also need to demonstrate how s/he has provided support, guidance and advice to the Finance and Administration Department and the KEMFSED as a whole

#### **7. Performance Criteria**

The following performance criteria will be used to assess the performance of the Financial Management Expert at regular intervals and based upon which the contract with the KEMFSED may be continued or terminated:

- Demonstrated evidence of transfer of knowledge (over the first two year of project implementation) to KEMFSED staff.
- Financial Management manual for the WB project developed by the end of the third month of the consultancy.
- Financial Management System in place by the end of the Year 1.
- Financial reporting templates developed by the end of Year 1.
- Staff trained on the use of all these reporting tools by the end of Year 1.

In addition to the above, by the end of Year 1 and Year 2, the KEMFSED staff shall demonstrate understanding and/or abilities in the following;

End of Year 1:

- Manage and maintain designated and operation accounts and their reimbursements;
- Proper management and disbursement of KEMFSED funds through the application of sound accounting, budgeting, and financial control measures;
- Maintain proper books of accounts in accordance with international accounting standards;
- Preparation of Financial Reports;
- Proper documentation and safe keeping of accounting records for audit inspection

End of Year 2:

- Knowledgeable about World Bank Financial processes and procedures
- Maintain proper accounting records and prepare financial statements in compliance with the WB Financial Accounting, Reporting and Audit Handbooks;
- Ability to use financial management soft ware to track funding and expenditure of KEMFSED and produce timely financial Accounting reports

**8. Assignment Period**

The period of assignment will be for a period of one year. The initial six months employment will be considered as probation; subject to satisfactory performance. Using the performance criteria determined in the previous section the KEMFSED and the World Bank team will review the performance of the Financial Management Consultant of the decision to continue or abrogate the contract.

**9. Terms of Payment**

Payment will be made monthly at the end of each month.

**10. Qualification and experience required**

- A professional accountant holding professional membership with professional bodies such as ICPAK, ACCA, CIMA.
- An Advance degree in Finance, Accounting, Auditing, Public Financial Management or Business Administration.

- The Financial Management Expert will have not less than 10 years in Financial Management, Public Finance Management, Public Administration, Business Administration, Organizational Development, Economics, Public Finance Management or related fields;
- First degree in relevant discipline, e.g. Finance, Accounting, Business Administration, Financial Management;
- At least (5) years of demonstrated work experience as a Technical Advisor in Financial Management;
- Must have good knowledge of Financial Management policies and procedures of the GoK, Multilateral Financial Institutions (e.g. the World Bank) and development co-operation agencies; as well as good knowledge of the institutional, technical, and commercial aspects of financial management;
- Excellent skills in project management demonstrated in previous jobs;
- Proven track record in working effectively within multidisciplinary teams;
- Computer proficiency in standard office applications (Spread sheets, word processing, Internet Explorer), excellent communication, interpersonal and team working skills; and
- Fluency in English.