



**Ministry of Finance
Republic of Maldives**

Maldives: PFM Systems Strengthening Project

**Terms of Reference for
Cashflow Forecasting Consultant (National)
MV-M0FT-285740-CS-INDV**

I. Backgroundp

The Government of Maldives (GOM) has received financing from the International Development Association (IDA) towards the cost of the Maldives PFM Systems Strengthening Project (PSSP and the Ministry of Finance (MoF) intends to apply part of the proceeds towards the cost of strengthening the cash management of the government.

Strengthening debt and cash management is a subcomponent of the PSSP (Component 1 - Strengthening the PFM Environment). The Government of Maldives (GoM) has been undertaking several initiatives to reforming the public financial management to in order to enhance budget credibility, transparency, financial reporting and controls of central government finances.

Since the enactment of the Public Finance Law in 2006, multiple reforms were brought in the area of Public Finance Management. Among that, an important aspect is the introduction of Treasury Single Account concept and the use of Public Bank Account. Developments has been brought to the area of cash management over the years and in order to achieve the full potential of the concept and to utilize the public funds most efficiently, further steps need to be taken. This involves proper cash flow forecasting, managing funds and reporting of the cash flow

II. Scope of Work

Objective:

- Implement a cash forecasting system that will produce regular and reliable forecasts of cash inflows and major cash outflows that are linked to the budget implementation and commitment plans for individual ministries, departments, and agencies, and incorporate the planned in-year borrowing to ensure adequate liquidity at any given time. To establish effective operational targets of fiscal policy, the public debt management strategy and monetary policy.
- Modernize the cash management aspect of the government by establishing a technological solution; preferably a portal. There should be a mechanism to integrate the public accounting system and the portal.
- To establish a proper planning and forecasting techniques. This should be in-line with the strategic plan of the Maldives Monetary Authority and the relevant laws in place; including but not limited to the Public Finance Law and Fiscal Responsibility Act.
- Introduction of the Treasury Single Account concept following the amendment to the Public Finance Law and to introduce a proper mechanism to incorporate the local councils bank accounts into this concept.

- Efficient use of government funds; ensuring adequate funds when expenditures need to be paid and to eliminate loss due to access funds in government bank accounts; to maximize the returns on idle cash, the GoM needs to establish a mechanism to avoid unremunerated government deposits in the Maldives Monetary Authority and other Commercial Banks in Maldives. To borrow when needed, to refrain from excessive borrowing and to minimize the borrowing costs.

III. Required Expertise and Qualifications:

The consultant should be able to understand how the SAP system functions and have a good understanding of cashflow management techniques. The consultant should be able to develop a mechanism to modernize and automate the function; preferably by developing a portal for the purpose. Below mentioned criteria should be met as a basic expertise and qualification requirement.

- A degree in IT field, which is equivalent to level 7 under Maldives Qualification Authority
- A diploma or equivalent qualification, with inclusion of Accounting and/or Finance as a subject.
- A minimum of 1-year experience in using SAP

IV. Deliverables

Deliverables	Payment breakdown (%)
1. Review the existing process and to make recommendations to strengthen them	10
2. Provide a technological solution to automate and replace the manual process currently used; with the necessary integration of the public accounting system and the portal, and to include functions to generate reports from the portal; and if necessary provide input to the technical staff at the ministry to generate reports from SAP	45
3. Provide training on how to use the system/portal developed to the users	10
4. Develop operational manual and guidelines for the cash management function and for using the system/portal developed	15
5. Provide one month on-site and three months off-site support for the system/portal	10
6. Final report with work done to modernize the cash management function and recommendations/suggestions along with an action plan for further strengthening the cash management procedures and related systems	10

V. Reporting Obligations

The consultant should report timely to the Financial controller and the department head regarding the progress of the work; reporting the details of how the deliverables are met, and if any delay due to any reason, it should be communicated promptly

VI. Duration of the Consultancy

The consultant would be allowed a period of 3 months to learn and understand the current situation of the work done, and to develop a modernized cash management system which meets with the requirement of the ministry.