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Ministry of Finance
Male', Maldives

Terms of Reference

SOE Accounting & Finance Specialist (National)

Maldives Competitiveness and Growth Project (P179286)

[Reference No: MV-MOF-MV-396365-CS-INDV]

Loan No./Credit No./ Grant No.: IDA-73050, IDA-E1690

A. Background

The Maldives Competitiveness and Growth Project (MCGP, “the project”) is a new 5-year investment project financed by the World Bank for the Government of Maldives (GoM) through Investment Project Financing (IPF) with Performance-Based Conditions (PBCs), declared effective on 23 June 2023 and to be implemented by the Ministry of Finance (MoF). The overall Project Development Objective (PDO) is to strengthen private participation in and financial sustainability of State-Owned Enterprises (SOEs), and the support mechanisms for the competitiveness of small and medium enterprises (SMEs). The project comprises of three components which are as follows:

Component 1: Accelerating SOE Reforms

- Sub-component 1.1: Increasing Private Participation in Ownership of Select SOEs
- Sub-component 1.2: Improving Governance of SOEs at the Program and Corporate level
- Sub-component 1.3: Reforming SOE Public Service Obligations

Component 2: Fostering SME Competitiveness

- Sub-component 2.1: Digital Financial Infrastructure
- Sub-component 2.2: SME Growth Acceleration Program

Component 3: Project Management

SOEs form a significant part of the Maldivian economy and are among the largest commercial entities in the country, engaged in infrastructure, financial services, tourism, fishing, petroleum, retail, construction, and property development among other sectors. The GoM has two main agencies engaged with SOEs: (a) MoF, which has ownership of the GoM’s shares of SOEs and provides policy direction on SOEs, and (b) the Privatization and Corporatization Board (PCB), which is tasked with carrying out privatization, corporatization, monitoring, evaluation, and selling of public shares from SOEs and monitoring the overall corporate governance of SOEs. The State Shareholding Management Department (SSMD) at MoF monitors and manages the GoM’s share

of SOEs, including the allocation of Government capital, evaluation of fiscal status, procedures related to distribution of dividends, and advising MoF on SOE-related matters.

There is considerable potential to strengthen the governance mechanisms of SOEs, enhance the accounting and financial reporting quality, and optimize resource utilization. Addressing these governance, financial management, and efficiency challenges would contribute significantly to strengthening the financial positions of SOEs and easing the fiscal constraints of the country.

Through MCGP, the GoM aims to strengthen private participation in and financial sustainability of SOEs. The project seeks to address the issues highlighted above by implementing strategic interventions focused on enhancing corporate governance, improving financial management practices, and fostering transparency and accountability across SOEs, thereby enhancing the financial viability, operational efficiency, and sustainability of SOEs, contributing to the economic growth and resilience of the Maldives.

B. Objectives

The project is looking to utilize the services of a local SOE Accounting & Finance Specialist who will assist the project team, including an international SOE Reform Expert and other local specialists and experts in addressing issues related to financial reporting and management of SOEs, and strengthening the financial monitoring and analysis capacity of SSMD and other relevant Government institutions.

C. Scope of Work

1. Assist the International SOE Reform Expert to develop guidelines on financial reporting and management for Corporate Governance Improvement (CGI) plans for SOEs to address existing corporate governance deficiencies.
2. Assist the International SOE Reform Expert and PCB in reviewing, updating and harmonizing SOE-related laws, regulations and guidelines to strengthen financial reporting and management requirements and practices of SOE.
3. Assist the International SOE Reform Expert and project team in conducting financial feasibility analysis on private participation opportunities for select SOEs.
4. Assist SOEs in the development of financial forecasting and valuation models.
5. Develop a framework for MoF and PCB to undertake financial feasibility analysis of project proposals from SOEs for Government funding.
6. Develop a framework for MoF and PCB to undertake valuation of SOEs and their business segments and subsidiaries.
7. Assist MoF in the development of a framework for the analysis of fiscal risks of SOEs and improved reporting on fiscal risks to policymakers.
8. Assist in the development of inter-SOE payables and receivables management frameworks.

9. Assist MoF in the development of plans and guidelines for capital, subsidy and grant disbursements to SOEs.
10. Identify gaps in financial reporting, tax reporting, budgeting and auditing practices of select SOEs and recommend improvements.
11. Coordinate with MoF and SOEs in developing alternative financing mechanisms for SOEs.
12. Assist MoF and PCB in undertaking financial audits of SOEs.
13. Assist in the development and implementation of mechanisms to improve SOE debt reporting capacity within MoF and transparency in reporting SOE debt to stakeholders.
14. Provide strategic advice on debt restructuring of SOEs and assist MoF in the financial restructuring process of select SOEs.
15. Provide targeted training sessions to strengthen financial reporting and management capabilities of select SOEs.
16. Develop and conduct capacity-building programs to strengthen the SOE financial monitoring and analysis capabilities of MoF and PCB. .
17. Liaise with the project team and World Bank in meetings with SOEs and Government institutions in SOE-related matters, on behalf of the Project.
18. All other tasks as assigned by the Project Director.

D. Deliverables

The Specialist will be responsible to deliver the following within the duration of their contract:

1. Guidelines on financial reporting and management for CGI Improvement plans for SOEs
2. Framework for financial feasibility analysis for SOE private participation
3. Framework for valuation of SOEs and their business segments and subsidiaries
4. Gaps Assessment on Financial Reporting, Tax Reporting, Budgeting and Auditing Practices of select SOEs with recommendations on improvements
5. 2 workshops/capacity building programs:
 - i. For MoF and PCB to strengthen financial monitoring and analysis
 - ii. For SOEs to strengthen financial reporting and management
6. The Specialist has to train at least one additional staff in their area of expertise to deliver workshops/capacity building programs to SOEs on;
 - i. Guidelines on financial reporting and management for CGI Improvement plans for SOEs, and
 - ii. Framework for financial feasibility analysis for SOE private participation
 - iii. Framework for valuation of SOEs and their business segments and subsidiaries

E. Reporting & Working Arrangements

The Specialist will report to the Project Director of the MCGP Project Management Unit (PMU) and head of SSMD, on a regular basis as required, and provide necessary updates to the PCB, as

required. The Specialist is expected to liaise with an international SOE Reform Expert and other SOE-related local consultants hired by the project, as well as various Working Groups of Government officials working on project activities.

The Specialist will be provided a workstation at MoF and is expected to report for work to MoF not later than 0800 hours on weekdays other than public holidays and provide their services during MoF working hours. The Specialist may have to work extra hours in order to complete the tasks assigned as and when required without additional payment.

F. Duration of Services and Payment Terms

The services of the Specialist are required for a period of 2 years, and renewable based on needs and performance evaluation. The Specialist is expected to commence their services in January 2024.

The Specialist will be paid a lump sum of between MVR 38,000.00 - 43,700.00 per month for the full contract duration of 2 years, based on their qualifications and experience, and subject to negotiation.

G. Qualifications & Experience

- Minimum Master's Degree in Accounting, Finance, Financial Management or equivalent professional qualification, or suitable equivalency from a recognized university or professional body.
- Minimum 8 years of relevant professional experience.
- Minimum 5 years of experience working in SOEs and/or with SOEs including within a financial regulatory or oversight body and/or large conglomerates/corporates in an accounting and/or financial management capacity.
- Strong analytical and problem-solving skills with the ability to interpret financial data and provide strategic recommendations.
- Excellent communication skills, both written and verbal, to effectively convey complex financial information and recommendations.
- In-depth knowledge of accounting principles, financial reporting standards, and financial management practices applicable to SOEs, both local and international, will be an added advantage.
- Familiarity with the local regulatory environment and governance structures related to SOEs will be an added advantage.
- Previous experience in projects related to SOE reform, financial restructuring, or similar initiatives will be an added advantage.
- Proficiency in using accounting and financial management software will be an added advantage.
- Proficiency in both English and Dhivehi.