



**Call for CV's (revised)
From
Individual Consultant
For
Public Finance Management (PFM) & Financial KPIs for FSM Services**

1 Introduction

SNV Netherlands Development Organisation had started its journey in 1965 from Netherlands as no profitable volunteer organisation. SNV have built a long-term, local presence in countries in Asia, Africa and Latin America working in the sectors of WASH, Agriculture and Renewable Energy through providing advisory services, facilitating knowledge development, networking, strengthening local capacity builders, and carrying out advocacy at national and international levels. SNV mission is to make a lasting difference in the lives of millions of people living in poverty. For more information, please refer to our website: www.snv.org

SNV has been implementing an Urban Sanitation Programme in 5 Southern cities (Khulna, Jhenaidah, Kushtia, Jashore and Benapole) and Gazipur over the past 6 years, through a multi-stakeholder coordination mechanism under the leadership of Local Government Institutions (City Corporations and Municipalities) to address service delivery challenges in Faecal Sludge Management (FSM). The project aims to facilitate a decisive shift in sector thinking, culture and practice through close alignment with respected sector agencies and working collectively with government and local partners to address underlying systemic sector issues that limit sector development.

Under the Urban Sanitation and Hygiene for Health and Development (USHHD) approach, work consists of 5 major components: 1) Sanitation demand creation and behavioural change communication; 2) Strengthening sanitation supply chain development; 3) Improving WASH Governance and multi-stakeholder sector development; 4) Sustainable Finance and Investment; and 5) Introducing environmentally safe treatment and re-use technologies.

2 Background and Rationale

Bangladesh is a striking example of the rapid progress in access to sanitation where open defecation has been reduced from 19% in 2000 to less than 1% in 2016 (estimated by Joint Monitoring Programme of WHO and UNICEF). However, the inability to sustain use of existing toilets and the unsafe disposal of faecal sludge pose a challenge in improving health and economic situation of urban populations. The national institutional and regulatory framework (IRF) indicates clearly that the City Corporations/Municipalities are to take the responsibility of FSM. However, this is not being done due to the lack of proper understanding of the subject and lack of resources. As a result, accumulated sludge overflows into nearby drains which causes dangerous impacts on public and environment health.

The FSM service must ensure closing of the sanitation loop by addressing the issues related to containment, collection, transport, treatment and reuse or disposal. Bangladesh is starting to recognize the unsafe and unhygienic practices of manual emptying and encourages mechanical emptying. Local government institutions are promoting safe faecal sludge collection by highlighting best practices (mechanical emptying), imposing restrictions on unsafe practices, and providing licensing to interested private operators. The informal sector is being formalised through training and licensing. This will drive the demand for improved services, will improve hygiene, and enable business development and job creation.

As FSM is a demand responsive service and is primarily being provided by City Corporations or Paurashavas and independent manual emptiers, it was never taken as a priority LGI service. LGIs (City Corporations or Paurashavas) do not have adequate resources and funds to invest in the FSM system. Hence, they are fully



dependent on external support (different development partners and central govt. support) and are more focused on projects related to sanitation infrastructure development.

Financial management is a crucial element of municipal management for ensuring FSM services to the city dwellers. It enables the local government to plan, mobilize, and use financial resources in an efficient and effective manner, as well as to fulfil its obligation to be accountable to its citizens. Currently, there is a lack of accountability and transparency in FSM related revenue and expenditures and result monitoring. The strengthening of planning, budgeting, procurement, financial management, monitoring and assessment systems within the LGIs is of utmost importance for providing sustainable sanitation services.

A review and analysis of the existing financial system within LGIs conducted in 2020 by SNV through LightCastle (Gap analysis of Public Financial Management for FSM service - Analysis of Public Financial Management¹ and Development of Key Performance Indicators (KPIs) for FSM Services²) clearly points out existing gaps and barriers within the LGI’s financial system and gives recommendations for improving public financial management for FSM. Performance measuring tools, i.e. a set of Key Performance Indicators (KPIs), to strengthen management capacity were developed. By implementing the recommendations of the study, LGIs financial management capacity for providing FSM services will be improved. LGIs will be enabled to use resources more effectively, efficiently and equitably for ensuring FSM services. The introduction and monitoring of financial KPIs (see Table 1) will help establish a robust and applicable result/outcome-based monitoring system which facilitates the measurement of specific departments achievements and render FSM services financially viable.

Table 1: Financial KPIs

Financial KPIs		
Strategic Objective: FSM services are financially viable.		
Increase of profitability		
Operating Profit Margin	Revenue - Operating Expenses (not including depreciation nor amortization) / Total Revenue.	%
Net Profit Margin	Operating Income - (Interest + TAX) / Total Revenue.	%
Liquidity		
Current Ratio	Current Assets/ Current Liabilities.	Numerical

2.1 Recommendations - Phases of Implementation

To implement these suggested changes, several immediate, mid-term and long-term recommendations have been formulated – covering 18 steps and spanning 4 phases of implementation as shown in Figure 1 below. The first two phases are recommended to be implemented on a pilot phase across a small number of selected LGIs to test the feasibility of the PFM model. **This assignment focuses on the implementation of Phase 1 in Kushtia and Jashore.**

¹ <https://on.snv.org/2ZBJtex>

² <https://on.snv.org/3jMvY2y>

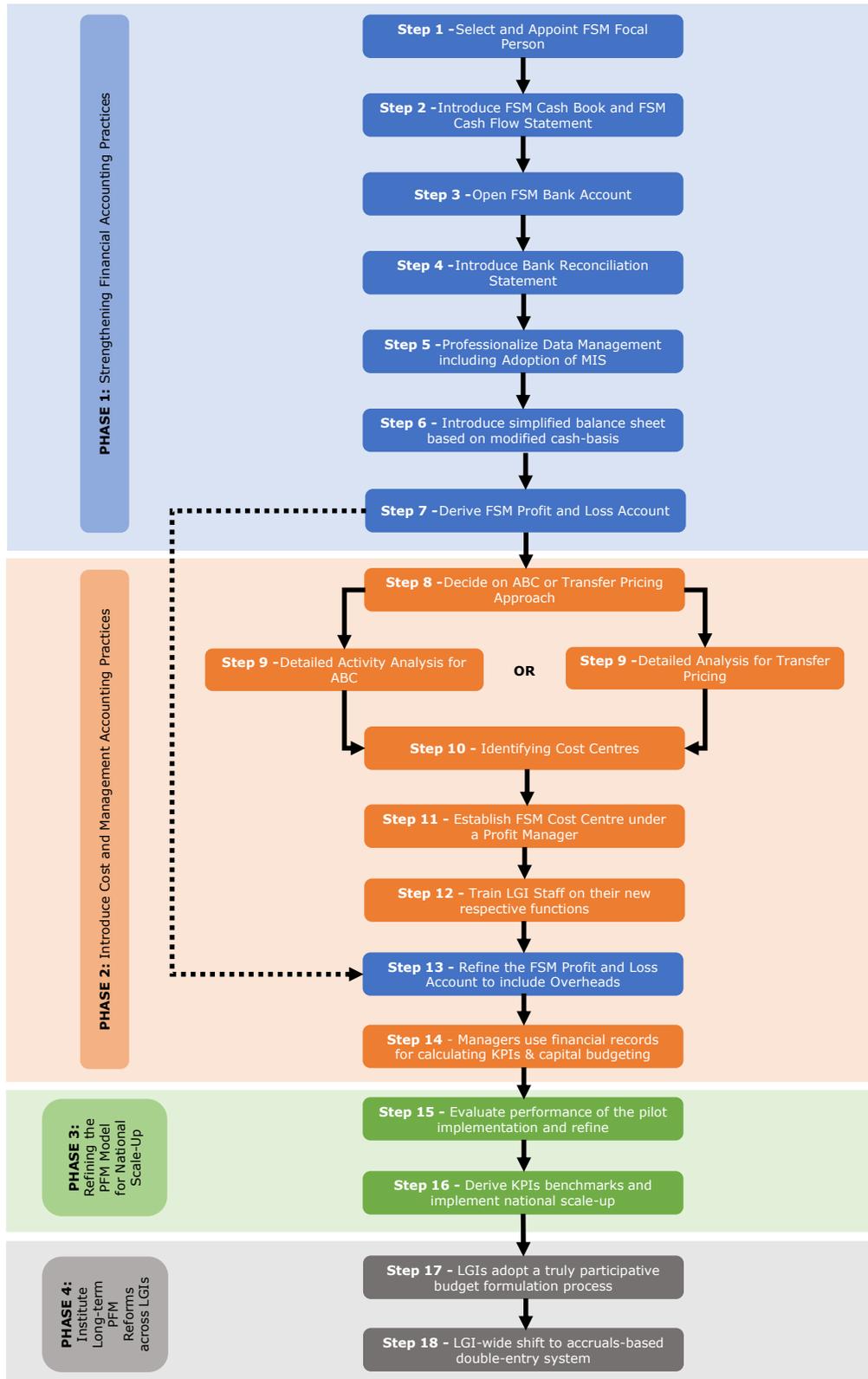


Figure 1: Phases of Implementation

2.2 Briefs on Pilot Cities

In the selected pilot cities Kushtia and Jashore, Step 1 to three are already happening. Details are given below.

Kushtia Paurashava (KPS) was established in 1869. As per the Local Government (Paurashava) Act, 2009 the Paurashava was mandated with the responsibility of education, health and physical infrastructure which also permitted the collection of tax and fees from the municipal holdings. The Class A Paurashava, with an area of 42.79 sq. km, is divided into 21 wards with an estimated population of 238,922. There are currently 165 full time staff working for the Paurashava at present. KPS has at present approximately 32,463 holdings under its jurisdiction.

KPS has the mandate to follow the Public Procurement Rules (including the Public Procurement Act, 2005 and Public Procurement Rules, 2008). The Paurashava maintains a service register in the Conservancy department and a FSM cash book in the Accounts Department for its FSM service: a step in the right direction in terms of management. Still, there is further room for improvements in the existing status quo. Kushtia will start using IMIS from 2022.

Jashore Paurashava (JAS) consists of 9 wards, 73 mahallas and its adjoining other urban area comprising 5 mauzas. The total area of Jashore city is 28.56 sq. km, of which 14.71 sq. km. falls under the jurisdiction of the Paurashava. Jashore Paurashava established in 1864. In 1960, Jashore was reconstituted as Jashore municipal committee under the 1960 Municipal Administration Ordinance. The total number of holdings in Jashore is around 23,023 as per Holding database.

Like all other LGIs in Bangladesh, the financial practices of the JAS are governed by the Public Procurement Rules (including the Public Procurement Act, 2005 and Public Procurement Rules, 2008). Alongside this, the Local Government (Paurashava) Act, 2009 also acts to empower participatory decision-making and bring transparency into the Budgeting, Accounting and Reporting, and Auditing components of the JAS's public financial management processes. However, the strong legal fundamentals are not always translated into robust implementation at the LGI level. JPS already established a FSM account and uses the IMIS.

Integrated Municipal Information System (IMIS) - Tool for planning and monitoring urban services

IMIS is a Web GIS-based Information System which enables information-based decision making and planning for municipal services in line with smart city initiatives. It was initially developed for efficient management of city's faecal sludge but then expanded for any other City's Urban Services delivery.

3 Objectives

The assignment will contribute to support LGIs (City corporations/ Paurashavas) to establish a productive and performance orientated culture within the Institution and to ensure that sanitation services are rendered efficiently, effectively and with the desired impact. In addition, it aims to improve public financial management and accounting for FSM and therefore to develop capacity and strengthening of systems for planning, budgeting, financial management, M&E and human resource management within LGIs.

The specific objectives of this assignment are to:

- To enable LGIs to measure financial KPIs by supporting the integration of the main accounting recommendations of PHASE 1 Implementation (Step 1 to 7)
 1. Appoint FSM Focal person
 2. Introduce FSM Cash Book and FSM Cash Flow statement
 3. Open FSM Bank Account
 4. Introduce Bank Reconciliation Statement
 5. Professionalise Data Management including adoption of MIS



6. Introduce Simplified Balance sheet based on modified cash basis
 7. Derive FSM Profit and Loss Account
- If applicable, implement recommendation *Step 13 Refine the Profit and Loss Account to include overheads.*
 - Test the developed FSM service KPI to judge the current applicability:
 - ✓ Set feasible ranges per each city
 - ✓ Recommend city specific steps to fully implement the developed KPIs

4 Activities

The assignment aims to support pilot LGIs in the implementation of Step 1 to 7 of above recommendations. At the end of the assignment the LGIs should be in a position to measure the three financial KPIs - operating profit margin, net profit margin, current ratio. For this purpose, the consultant will facilitate the process by allowing LGIs to draw on his/her expertise and specialised accounting skills. He/She will provide support in establishing agreed accounting procedures, revising/adjusting internal guidelines and training accounting and reporting personal as well as FSM focal persons/managers.

Detailed list of activities:

- Discussion with SNV team to understand the assignment, the background and expectations from the study and to get a short introduction into IMIS.
- Read and comment on the Study "Gap analysis of Public Financial Management for FSM service" and "Development of Key Performance Indicators (KPIs) for FSM Services", which will guide the consultant. Any proposals for improvement/adjustment will be discussed with SNV and might influence the design and specific activities of the overall assignment.
- Field Trip 1 (Month 1, 2 weeks, one week per city):
 - Meetings with FSM focal person, responsible accounting person and reporting/monitoring manager.
 - Establish a LGI assignment team.
 - Confirm status quo of financial management system and identify remaining steps to reach Step 7 according to phase 1 and to be able to measure financial KPIs.
 - Develop detailed work plan per city for next 5 months together with assignment team.
 - Agree on milestones and "deliverables" for next field trip.
 - Start work on first milestone.
- Field Trip 2 (Month 3, 2 weeks , one week per city):
 - Meeting with LGI assignment team.
 - Follow up on agreed milestones.
 - Assist on accounting questions, adjustment of accounting procedures, software applications, design of reporting/monitoring forms.
 - Support first test run/data collection to measure financial KPIs
 - Document data gaps and address in updated workplan
- Field trip 3 (Month 5, 2 weeks, one week per city)
 - Meeting with LGI assignment team.
 - Follow up on agreed milestones.
 - Assist on accounting questions, adjustment of accounting procedures, software applications, design of reporting/monitoring forms.
 - Final test run of measuring financial KPIs
 - Document all assumptions and data gaps
 - Set city specific feasible ranges for financial KPIs
 - Facilitate/moderate a presentation (led by LGI assignment team) of the overall assignment to Mayor, city council members and decision-maker officials.



In between field trips and after the last field trip the consultant has to be available to the LGI assignment team for follow up and support for approximately 8 working days each. Additionally, 6 working days are allocated for meetings with SNV team, report writing and feedback.

5 Deliverables

The Consultant is expected to provide hands-on support during the three field visits rather than deliver elaborate reports. The expected 4 reports below are to be short and concise.

- Inception report (digital copy) within two weeks after contract signing, including detailed workplan of the assignment and a brief comments or recommendations regarding Gap analysis PFM and KPI Reports.
- Progress report 1 (maximum 10 pages) on agreed activities and milestones, work plan within one week after Field Trip 1.
- Progress report 2 (maximum 10 pages) on achieved milestones, challenges, changes of workplan, next steps within one week after Field Trip 2.
- Final report (maximum 15 pages) including learnings, final assumptions and existing data gaps for KPI measurement, city specific KPI ranges and recommendations and next steps within two weeks after Field Trip 3.
 - Recommendations need to include one chapter for each city giving clear directions on next steps entering Phase 2. A recommendation on the accounting model; ABC, transfer pricing or any other model; to be implemented needs to be given.
 - Updated/revised accounting SOPs should be attached.

6 Responsibilities

SNV:

- Will revise/guide the consultant.
- Pay the consultancy fee and costs related to the study (within the budget to be agreed upon by SNV and the study team).
- Assist with meeting LGIs
- Engage LGIs personnel in the assignment process.
- Provide other input and assistance as appropriate.

Consultant:

- Provide accounting know how and software application support to LGI assignment team.
- Lead the assignment, including work plan design and agreement on milestones.
- Report writing within the timeframe specified above.
- Arrange all meetings.
- Present key findings/challenges/recommendations to SNV and other stakeholders if requested.

7 Timeframe

The consultant is expected to work for a total of 60 working days. The total duration of the assignment will be for 6 months after signing of the contract. Commencement of the services is expected to be started by mid December 2021.

8 Payment mechanisms

Payment will be made to the agreed account in 3 steps upon receiving of invoice 1) 30% after submission of inception report; 2) 40% after receiving progress report 1 and 2; and 3) 30% approval of the final report (see table below).



SNV will make payments in compliance with the rules of Bangladesh Government. As per income tax law, Tax will be deducted from the main budget amount by SNV (in general for national consultants 10%). VAT will be added to the main budget and kept at source (15%). Only VAT is required to be included in the total budget (consultant's financial proposal).

Milestone	Payment schedule	Estimated date
Upon submission inception report	30% of the total budget	Within two weeks after signing of the contract
Upon submission of the Progress report 1 and 2	40 % of the total budget	Within fifteen weeks after signing of the contract
Upon submission of the final report including all documents developed within the assignment period and approved by SNV	30 % of the total budget	Within 26 weeks after signing of the contract

9 Qualifications/experiences

The consultant should have minimum 10 years of experience in the field of accounting and/or financial management, preferably with a focus on public finance management. Experience in management accounting and/or common accounting software will be a plus.

Interested consultants are requested to submit their CV. The consultant can add non-key expertise if they can add value into this assignment. The individual consultant will be selected based only on a comparison of submitted CVs. Therefore, CVs need to be well written and clearly demonstrate the basis of the relevant experience, qualifications and capability of the individual to carry out the assignment.

Individual consultants can apply through a firm/organisation. Still in this case, only CVs of the individual consultant are evaluated, but firm/organisation's expertise is not considered for evaluation.

10 Reporting line

The consultant will report to the WASH Sector Leader for each of the deliverables and will work closely with the Sanitation Business Advisor for day-to-day reporting and also with other team members and city authority respective personnel.

11 Application

Interested individual consultants (directly or through a firm/organisation) are requested to submit their CV highlighting relevant experiences, and scanned TIN/BIN number.

Electronic copy of the proposal duly signed should be submitted to bangladesh@snv.org with the subject line: "**Public Finance Management (PFM) & Financial KPIs for FSM Services**" latest by **7 December 2021**.

For any query related to the ToR, please email to Tanvir Chowdhury, Sanitation Business Advisor, Email: tchowdhury@snv.org to keep CC bangladesh@snv.org.