

**Financial Management Specialist (Project Accountant)**  
**Papua New Guinea Energy Utility Performance and Reliability Improvement Project**  
**(EUPRIP)**  
**Terms of Reference**

Contractee: **PNG Power Ltd**

Project Name: **Papua New Guinea Energy Utility Performance and Reliability Improvement Project (EUPRIP)**

Assignment Title: **Financial Management Specialist (Project Accountant – FMS – PA)**

Duration: **4 years (until Project Closing Date – September 2027), subject to satisfactory performance**

Location: **Port Moresby, PNG**

**A. BACKGROUND:**

The Independent State of Papua New Guinea (the Borrower) has received financing from the World Bank toward the cost of the Energy Utility Performance and Reliability Improvement Project (EUPRIP). The implementing agency for the EUPRIP is PNG Power Limited (PPL).

The EUPRIP aims to improve operational performance of PPL. It will (a) urgently rehabilitate PPL's aging transmission and distribution network and control systems on the Port Moresby and the Ramu Grids so that the people connected to these two grids will experience less power outages; and (b) implement measures to reduce power system losses and enhance revenue collection to continue transforming PPL into a commercial utility and a financially credible off-taker for independent power producers.

The IBRD Loan, with a financing of US\$30 million, includes the components described below consisting of both soft and hard investments that are urgently needed to improve the utility performance.

**Component 1: Urgent rehabilitation and upgrade of PPL infrastructure (US\$16.3 million)**

This component will support execution of investments in urgent rehabilitation and upgrade of facilities for electricity supply needed to improve service quality to acceptable levels, with a focus on (i) improvements, reinforcements, and upgrades in the medium voltage (MV) distribution network, (ii) rehabilitation and upgrades of selected substations, and (iii) enhancements in electricity supply control and protection functionality.

**Component 2: Component 2 — Implementation of key components of Performance Improvement Plan (PIP) for PPL (US\$9 million)**

This component will support implementation of key components of the PIP, which has been adopted by PPL management. The PIP focuses on improving efficiency, transparency and accountability in key operations areas (electricity supply, commercial functions, management of

corporate resources) in a sustainable manner, with specific emphasis on better service quality and revenue optimization (loss reduction and maximizing collection). PPL is already implementing some elements of the PIP on its own – notably the component on organizational restructuring and establishment of skilled management team and workforce, and various actions under other components of the plan.

- (i) **Incorporation of tools to support management.** The project will support incorporation by PPL of management information systems (MIS) to enable more efficient, transparent and accountable development of processes and activities in all business areas: operation and maintenance (O&M) of assets for electricity supply and handling of customers' claims, commercial functions, and management of corporate resources. Incorporation of the MIS must be complemented with the improvement and update of their respective databases (customers, assets, etc.) supported by a geographic information system (GIS) as well as improvement in their business processes. An assessment of business processes will need to be undertaken in conjunction with the installation of the MIS.
- (i) **Revenue protection and optimization.** The project will support activities to reduce non-technical losses (unmetered consumption) in supply through systematic remote recording and monitoring of consumption of large users. This is in accordance with the RPP. This will be done by installing Automatic Meter Reading (AMR) systems for those customers. The program will initially target large customers (consuming above 800 kWh/month) who represent less than seven percent of PPL customers but account for 77 percent of the physical sales of the company.

### **Component 3: TA on least cost power development plan and implementation (US\$1.6 million)**

This component will provide TA to support any supplementary planning and preparatory studies as may be needed to implement the LCPDP and achieve the country's electrification targets, in particular to: (i) any planning studies that may be needed supplementary to the LCPDP, and updates to the LCPDP, (ii) any assessments, feasibility studies, and preparing detailed design and bidding documents as needed for rehabilitation of existing hydropower facilities within the project area (notably Ramu 1 rehabilitation and Rouna Cascade rehabilitation); and (iii) TA activities and studies to support the preparation of projects identified in accordance with the LCPDP and agreed with the Bank, which may include gas-to-power projects<sup>21</sup> and renewable energy projects such as Naoro-Brown HPP<sup>22</sup> and/or solar or wind projects, and the associated transmission and distribution lines.

### **Component 4 — Project management support (US\$3.1 million).**

This component will provide technical and operational assistance, including carrying out capacity building activities and training, to support PPL on: (i) Project management and implementation; (ii) technical areas related to the activities carried out under the Project; and (iii) measures to address and monitor gender-related matters. In particular, this component will finance: (i) TA for project management and related technical issues through the recruitment of a project manager, and technical, financial management (FM), procurement, and social and environmental safeguards experts as needed, (ii) TA for efficient implementation of previous components, (iii) the preparation of project safeguards studies and audits, (iv) office equipment and incremental

operating costs, (v) technical advisory services to PPL for project design, implementation and supervision, (vi) capacity building on key areas, including safeguards<sup>23</sup> and resilience to climate change and natural hazards , and (vii) consultancy services to address and monitor gender-specific targets through the project.

#### **B. INSTITUTIONAL ARRANGEMENTS:**

Overall responsibility for oversight and implementation of the Project will lie with PPL, who will also be the single implementing agency for the project. The project will be managed by the Project Implementation Team (PIT)/Project Management Unit (PMU). PPL's executive team will act as a Steering Committee for the project to help drive implementation of the project including the PIP components supported through the project.

The project implementation team (PIT) will be constituted by a core team to be housed under PPL's Asset Development Business Unit that is responsible for implementing new capital investment projects, supported by Program Office that is responsible for public investment financing and reporting, whilst other members involved in each project component will be taken from other departments of PPL and work with the core team. The project implementing team will include both PPL existing staff and external consultants, to be either appointed from within, for increased ownership, or recruited to PPL, to supplement technical capabilities. The team will be responsible, along with other involved colleagues and PPL staff, for the day-to-day implementation of project activities, including coordinating and executing procurement for the project. The core team will be constituted by a project manager, a procurement specialist, an environment and social safeguards specialist, and a FM specialist, all with sufficient relevant experience and qualifications acceptable to PPL and the Bank. These positions will be externally recruited and financed through the project. Staff assigned from within PPL will not be financed from Project funds. This core team will be complemented by PPL staff responsible for each of the components/subcomponents of the project, as the nature of project activities will require close involvement and interaction different departments of the company. Experts recruited from outside PPL will also be responsible for training PPL's staff as necessary.

PPL has a zero-tolerance approach to child exploitation and abuse. Child exploitation and abuse will attract criminal, civil and disciplinary sanctions. PPL will not knowingly engage—directly or indirectly—anyone who poses a risk to children. PM will be required to sign a code of conduct that applies and builds on where appropriate EUPRIP Child Protection Professional Behaviors and provide evidence of their commitment to child protection.

#### **C. OBJECTIVES OF THE ASSIGNMENT:**

Reporting to the Project Manager and PPL Finance Manager, the Financial Management Specialist (Project Accountant) is responsible to provide guidance and support on the financial aspects of the project and accurate financial management of Project funds. The FMS (PA) will ensure the project is in accordance with the financial regulations of PPL within agreed Project budget. The FMS - PA will be responsible for review and verify invoices against contract millstones and deliverables before processing invoices. The FMS (PA) will prepare expenditure reports and provide continuous updates on financial related activities.

He/she will function full-time, housed under the PNG Power LTD, based in Port Moresby. S/he may be required to travel to the provinces when required.

#### **D. SCOPE OF SERVICES:**

The FMS (PA) will be responsible for all financial aspects of the project across all project phases including financial management and financial reporting of the Project. S/he will work closely with the Project Manager and PPL Financial Manager, who manages the PPL finances. The tasks and responsibilities of the consultant are as follows:

- a) Operate the financial management information system for project operations for the EUPRIP, in accordance with PPL policies and procedures and the Project operations Manual;
- b) Preparing the EUPRIP Financial Reports and Statements (monthly, quarterly and annual), including the submission of annual statements for audit and liaising with the PPL Internal Audit and Office of Auditor General on the audit process;
- c) Prepare the EUPRIP Internal Financial Reports (IFRs) and submitting them to the Bank on a timely manner;
- d) Establishing a good working relationship with the auditors and ensuring that all financial documentation is made available for the external auditors;
- e) Ensuring that the PIT complies with the provisions of the Loan Agreement, Project Agreement and Subsidiary Agreement;
- f) Preparing Withdrawal Applications (WAs) to draw down project funds from the Loan. These WA's are to be approved by the Project Manager before being submitted to the Department of Treasury for approval via Client Connection;
- g) Manage all aspects of the Designated Bank account, including the financial controls around those accounts;
- h) Effectively managing the cash flow of the project will be a critical requirement;
- i) Maintaining fixed asset records so that the location and condition of assets can be determined at all times;
- j) Assist in the preparation of the Annual Budget for the Project in consultation with other project staff;
- k) Ensuring that the EUPRIP financial files and records are properly set up, maintained and in working order;
- l) Supporting the Project Manager in providing routine reports on EUPRIP progress. These will include:
  - a. Monthly financial management reports that summarize progress, current expenditures and forecast cash requirements for the coming period;
  - b. Quarterly financial reports in a format as agreed with the World Bank.
  - c. An annual financial report that summarizes progress against meeting agreed milestones and budgets and which would form the basis of annual financial statements; and
  - d. Other progress reports as instructed by the Project Manager.
- m) Any other reasonable task as requested by the Project Manager.
- n) Train PMU Staff and Program Office on Budget & Reporting Team as needed and requested.

## **E. DURATION OF ASSIGNMENT:**

The estimated duration for the assignment will be for 4 years, but not later than 14 September 2027 when the project is scheduled to close. The position would be subject to a probationary period of six months. A six-month probationary period will apply from the start date. Before the end of the probationary period, the performance of the consultant will be evaluated. Should the performance be evaluated as non-satisfactory, the contract will be terminated immediately at the conclusion of the probationary period. A performance appraisal will be undertaken every 12 months for confirmation of continuity.

The FMS (PA) is expected to perform the services, full time starting as soon as possible upon signing of the contract for this service.

The position is based in Port Moresby, in PPL National Office, although travel may be required from time to time to PNG provinces.

## **F. DELIVERABLE AND REPORTING OBLIGATIONS:**

### **Functional Relationships:**

#### **Internal**

- Report to Project Manager and PPL Finance Manager
- Collaborate with Procurement Specialist and other PIT members
- Collaborate with PPL Program Office & Finance Department.

#### **External:**

- External auditor
- The World Bank Task Team Leader and task team members.

The deliverables of the FMS (PA) will include but not be limited to:

- Administration and financial monthly reports on EUPRIP progress.
- Quarterly financial management reports in a format agreed with the World Bank, that summarize progress, current expenditures and forecast cash requirements for the coming period; A semi-annual and an annual financial report that summarizes progress against meeting agreed milestones and budgets and which would form the basis of annual financial statements).
- Annual statements for audit.
- Fixed asset records.
- Draft Annual Budgets for EUPRIP submission to Department of National Planning & Monitoring and Treasury and the World Bank
- Other progress reports as instructed by the Project Manager.

## **G. DATA, SERVICES, PERSONNEL AND FACILITIES TO BE PROVIDED BY THE CLIENT:**

The Client (PPL) will provide to the FMS (PA), the Project Appraisal Document, Loan Agreement, Project Agreement, Subsidiary Agreement, Procurement Regulations, etc and existing reports and materials related to EUPRIP.

The Client will provide the office space, including office furniture, access to IT equipment, printing, internet, communications (landline phone and fax) and all related utilities for the Consultant.

If required to travel to the provinces all related costs, such as: airfare, Per-diem (including accommodation) as per the PPL policy applied to its employees, will be supported by the Project, from Incremental Operating Costs.

#### **H. QUALIFICATIONS AND EXPERIENCE REQUIREMENTS:**

The FMS (PA) will be an experienced finance professional with a proven record in the implementation of large-scale programs or projects.

***MANDATORY:***

- Tertiary qualification in finance or accounting.
- CPA or equivalent At least 5 years' experience in position with similar responsibilities (Financial management of a large-scale investment program).
- Knowledge of budgeting process and working with development projects.
- High integrity and accountability in all aspects of project financial management.
- Excellent knowledge of the Oracle accounting software used under PPL or demonstrated experience in a similar accounting package.
- Ability to communicate effectively, orally and in writing.

***DESIRABLE:***

- Financial management of a large-scale investment program
- Previous Experience with project(s) funded by World Bank or other donors.