**TERMS OF REFERENCE**

**For the provision of accounting and fiscal services for a PLC in Ethiopia**

**January 2022**

**\*\*\*\* This assignment is to be confirmed pending funding availability \*\*\***

**\*\*\*\* Hiring of the selected candidate will be through the commercial entity currently in course of incorporation \*\*\*\***

## **Preamble**

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now and for the future. Mercy Corps Ethiopia exists to alleviate suffering and poverty by helping people build secure, productive, and sustainable livelihoods. Since 2004, we have worked in rural, peri-urban and urban areas in five regional states - Somali, Oromia, Afar, Southern Nations Nationalities and Peoples, Amhara, and the capital city, Addis Ababa.

Powering infrastructure in relief settings, where clinics, offices, communications towers, water pumping stations and other necessary services are commonly fueled by diesel generators, represents a substantial economic burden for humanitarian agencies & for the businesses and households located in refugee settlements and host communities. In 2019-2021, Mercy Corps, in partnership with Shell under Shell’s Enter Energy – Ethiopia (EE-E) initiative has been exploring the feasibility of deploying and operating clean and commercially viable energy infrastructures in displacement settings and for humanitarian operations.

Mercy Corps will undertake this effort through the incorporation of an Ethiopian Private Limited Company (PLC). The company, which will registered in the month of January 2022 in Addis Abeba, is composed by two shareholders: a US-based entity owning most of the company, and a minority Ethiopian private shareholder. The corporate capital at incorporation is estimated at 2 to 4 million USD. For the first 12 months since its incorporation, the SPV is not expected to have any source of revenues, and only costs should be accounted for.

## **Objective of the service**

Within the framework of its activities, Mercy Corps is looking for professional accounting companies located in Addis Abeba that could support the newly-created PLC for the first 12 months of operations, subjected to renewal. The following services should be provided:

1. Provision of expertise for tax regulation specific to the energy sector
2. Development and maintenance of financial management systems and procedures
3. Provision of part-time accountant for internal accounting and reporting

## **Key tasks**

The selected company will be requested to execute the following tasks for each service.

***Service 1:* Provision of expertise for tax regulation specific to the energy sector**

Support to the management of the PLC concerning applicable fiscal regulation to the energy sector, specifically to duty waivers, VAT exemptions, and any other financial incentives in the field of rural electrification, off-grid applications, mini-grids, Energy Service Companies (ESCOs)

***Service 2:* Development and maintenance of financial management system and procedures**

Set-up, implementation and maintenance of a financial management system and procedures as per best global practices, to facilitate accounting and reporting, both internal and external.

***Service 3:* Provision of part-time accountant for internal accounting and reporting**

Provision of an accountant who can be located at the PLC offices in Siddist Kilo (close to Golagul building) part-time (estimated to average at 2 days/week for the execution of the service, flexible) to manage regular accounting, bank accounts, book-keeping, payrolls, and the likes, as well carry out regular financial internal and external reporting.

## **Period of execution**

The service contract is expected to start on February 21st for the duration of 12 months renewable.

## **Type of contract and location of execution**

This is a national contract to be contracted through the PLC located in Addis Abeba, and for which Mercy Corps is only facilitating the process.

## **Minimum qualification and skills**

The ideal candidate for this position will meet the following criteria:

* Track record of similar sets-up and for similar-size companies in Ethiopia
* Experience with fiscality and taxation regime in the energy sector in Ethiopia
* Expertise with Ethiopian companies with international shareholding
* Expertise with setting-up, deploying and maintaining financial management systems and procedures
* Strong financial structuring and reporting skills, to be used by management for decision making processes
* Based in Addis Abeba, Ethiopia

## **Submission of offers and deadlines**

Interested candidates should submit the following:

* A technical proposal highlighting for which services they are applying. Candidates can bid for services 1, 2 and 3, either in full or any other combination. Whichever services chosen, and for each of them separately, the candidate shall clarify the proposed approach and proof of meeting the minimum qualifications and skills defined in section 6, inclusive of references.
* A financial proposal for the duration of the contract, broken down for each selected service. Candidates can propose discounts if selected for multiple services, to be outlined in the proposal.
* Please send the proposal as per the TOR to **tenders@mercycorps.org**and only applications through the Mercy Corps online platforms will be accepted.
* The deadline for the submission of offers is **13th February 2022 5:00 PM EAT**
* Mercy corps reserves the right to cancel or reject this TOR fully or partially.