



**Ministry of Communications and Information Technology (MCIT);  
Islamic Republic of Afghanistan**

**Request for Expressions of Interest (REOI) and the  
Terms of Reference (TOR)**

**Individual Consultancy Services-Financial Management Specialist (FMS) for ATRA (Afghanistan  
Telecommunications Regulatory Authority)**

COUNTRY: Afghanistan  
NAME OF THE PROJECT: Afghanistan ICT Sector Development Project  
SECTOR: Information Communications Technology  
CONTRACT TYPE: Individual Consultancy Contract-Time based  
DURATION OF ASSIGNMENT: 24 months  
DUTY STATION: Kabul, Afghanistan  
CONTRACT REFERENCE NO: MCIT/ICTDP/P121755/IDA-H-665-AF/ATRA/C1.9  
WORLD BANK GRANT NO: IDA-H-665-AF  
PROJECT ID NO: P121755  
IMPLEMENTING AGENCY: Project Implementation and Coordination Unit (PICU) of MCIT

**1) Background:**

- a) The Ministry of Communications and Information Technology (MCIT), Islamic Republic of Afghanistan has received financing from the World Bank towards the cost of the ICT Sector Development Project and intends to apply part of the proceeds to hire a qualified Individual Consultant to provide Consultancy Support as “Financial Management Specialist to ATRA”. This Consultancy Support will be provided to ATRA (Afghanistan Telecommunications Regulatory Authority) at Kabul, under the World Bank funded Project of MCIT “Afghanistan ICT Sector Development Project”.
- b) The aim of the ICT Sector Development Project of MCIT(as funded by the World Bank) is to expand broadband connectivity, mainstream use of mobile applications across the Government and develop the capacity of the IT sector to facilitate improved service delivery across Afghanistan while accelerating job creation and economic growth. The project will do so by: (a)

Creating the enabling environment and making strategic investments for the development of Afghanistan's backbone and broadband infrastructure; (b) Supporting the mainstreaming of mobile applications across Government by supporting innovations and creation of cross cutting enablers; and (c) Developing local IT infrastructure and capacity in the public and private sectors.

c) Project Development Objectives with their Output Indicators for each Project Component of the World Bank funded ICT Sector Development Project of MCIT are listed below:

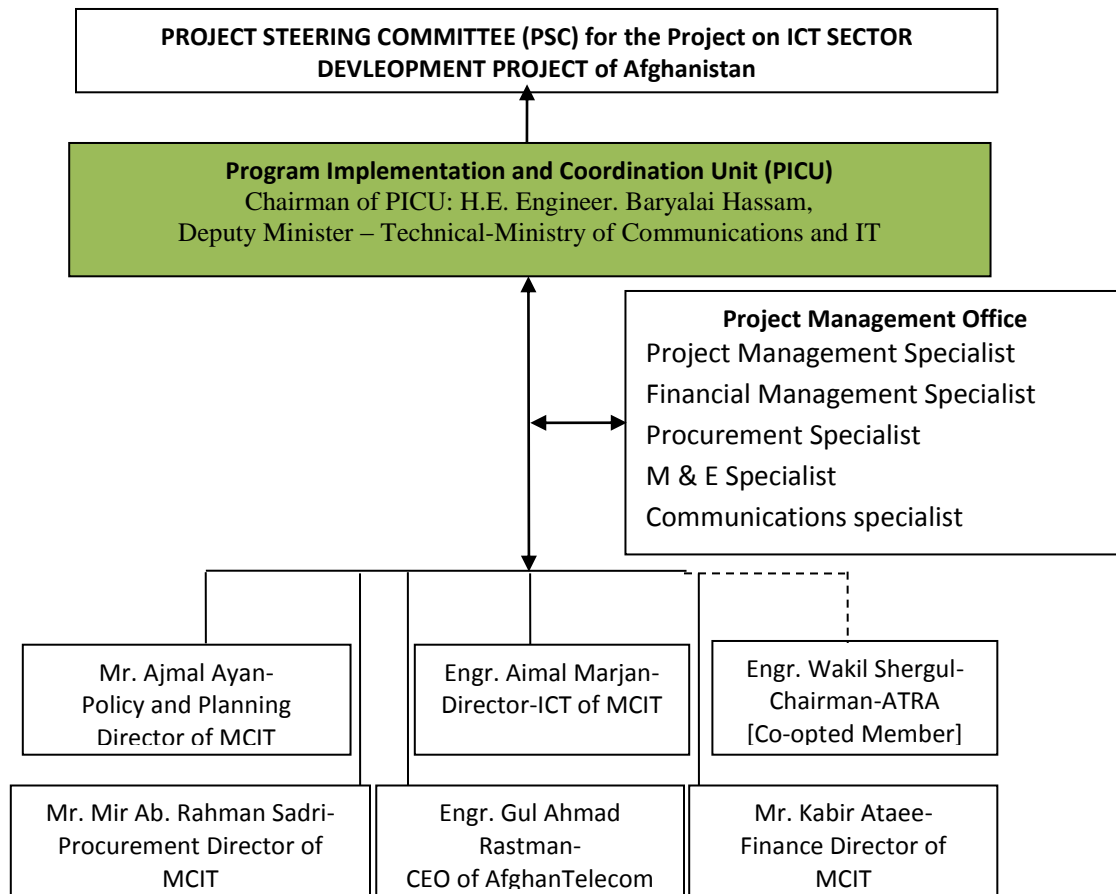
<b>The PDO-level results indicators are as follows:</b>	<b>Output Indicator(s)</b>	<b>Baseline (2010)</b>	<b>Proposed targets (2016)</b>
Impact of Consultancy Support	Revised ICT policy adopted by the Government of Islamic Republic of Afghanistan	2003 telecom and Internet policy; 2003 ICT policy	Revised policy adopted
<b><i>Component 1: Expanding connectivity</i></b>			
Expanded reach and availability of telecommunications services and specifically broadband Internet services	Access to internet services (number of subscribers per 100 people)	3	10
	Access to telephone services (number of subscriptions per 100 people)	55	80
	Length of fibre optic network built under the Project (km)	0	1000
<b><i>Component 2: Mainstreaming mobile applications</i></b>			
Use of mobile applications across Government for public services and program management	Number of Government agencies or programs using m-apps for public service delivery or program management	0	10
Improved capacity of Government to use IT strategically	Number of ministry CIOs and other officials trained under the Project	0	100
<b><i>Component 3: IT industry development</i></b>			
Growth of local IT Individual Consultants and job creation in the IT based services sector	Number of people trained under the Project	0	1500

## 2) Project Implementation Arrangements:

a) The Project has a centralized management structure. The Ministry of Communications and Information Technology (MCIT) is the implementing agency for the project. MCIT is implementing a number of sectoral projects funded by the government and other development partners. To manage its portfolio of investment projects better, MCIT has established a program

implementation and coordination unit (PICU) that the Deputy Minister (Technical) of MCIT chairs. A Schematic of PICU is below:

*Schematic of Project Implementation and Coordination Unit*



b) The Directors of the Planning and Policy Department and ICT Department are the core members of the PICU. The Finance and Procurement Directorates of MCIT provide support to the PICU. This is to ensure further strengthening and sustainability of program management capacity that has been developed over the last few years within MCIT. Core financial management and procurement functions for the project are handled by the respective departments within MCIT. A Project Management Office (PMO) supports MCIT in implementation of the IDA project. This PMO is part of the established PICU. Chairman of ATRA is also a Co-opted Member of PICU.

### 3) Brief on ATRA and Rapid Growth of Telecommunications Sector in Afghanistan:

a) The Afghan Telecom Regulatory Authority (ATRA) was established in 2006 for issuance of licenses, monitoring of quality of services provided by the licensees and taking measures towards developing the sector by encouraging private sector investments. Activities of ATRA are mainly based on the Telecom policy developed and adopted by the Minister of Communications and IT

on 03 July, 2003 with the vision to develop the Telecom and Internet sector in order to provide affordable and quality services to the citizens of Afghanistan on a nationwide basis.

- b) In July 2003, two licenses for GSM Services (in 900 MHz) were issued to Afghan Wireless Communications Company (AWCC) and Telecom Development Company Afghanistan (Roshan). Pursuant to the Policy, they were provided a duopoly on GSM Services until the end of 2005. Based on the fact that the three year term of the two original licenses was about to come to an end, on 21 May 2005, ATRA officially launched an international competitive tender for two additional licenses for GSM Services (and any other services in the assigned 900 and 1800 MHz bands). As a result, two additional GSM licenses were issued in May 2006, one to MTN and another to Etisalat.
- c) The former Telecommunication Department of the Ministry of Communications of Afghanistan was taken out of the Ministry of Communications and became a government owned Telecommunications Company which also received a Unified Services license from ATRA in 2005. It was named Afghan Telecom (AfTel). AfTel also inherited Fixed Line and Fiber Optic networks. In addition, AfTel also provides Internet services through its fixed line facilities as well as through WiMAX frequencies allocated to it by ATRA.
- d) Since private entry into the Telecom market in 2003, the telecom sector in Afghanistan has grown at a remarkable rate and now approximately 18 million Afghanistan businesses, government entities and consumers have mobile telephone service and over one million users have Internet service. And, the current installation of an AfTel Fiber Optic ring throughout Afghanistan is connecting Afghanistan with the rest of the World at lower costs for voice and data services. Now, that the basic needs of the people in Afghanistan have been fulfilled, MCIT and ATRA are considering the introduction of 3G (Third Generation) and Broadband Wireless Services in the country, all of the current mobile operators in Afghanistan have expressed interest in acquiring 3G spectrum frequency licenses.
- e) Afghan Telecom (AFTEL) is a Telecom Operator, 100 % owned by Ministry of Communications and IT (MCIT). It is a Government owned Corporation and planned to be privatized in due course of time. In 2006, Optical Fiber Cable Ring Project was funded by the Government from the Core Development Budget, to establish an OFC Ring of 3100 Kms and again in 2010, another 500 Kms have been funded. AFTEL is the only Operator in Afghanistan currently permitted to own the OFC based Backbone of the Country. The Company is selling Internet Bandwidth by bringing the same from neighboring Countries (Pakistan, Iran, Tajakistan and Uzbekistan) through OFC Backbone. Telecom Operators and ISPs are hiring the OFC based Internet Capacities and the Fiber Capacities from Afghan Telecom.
- f) Under the World Bank funded ICT Sector Development Project as approved in May, 2011, upto 27 Million USD will be spent to connect 05 Provinces and 13 Districts to the existing OFC Ring of Afghan Telecom. Within next 02 years, it is estimated that all the 34 Provincial Capitals and many Districts will be served by the OFC based Backbone Network.

#### **4) Detailed Brief on Financial Management System/Fund System of ATRA:**

- a) The Telecom Law that was promulgated by President of Islamic Republic of Afghanistan in December 2005 established the Afghanistan Telecom Regulatory Authority (ATRA) and provides ATRA with substantial independence from political interference based on its ability to fund its ongoing operations via annual regulatory fees collected from its licensees. The annual operational budget is now approximately US\$2 million.
- b) The Telecom Law also instructed ATRA to establish a Telecom Development Fund (TDF) to increase access to information & communications technology (ICT) services in rural and underserved areas of Afghanistan. A TDF fee is levied on the licensees and has now accumulated to approximately US\$40 million.
- c) ATRA is also responsible for collecting frequency assignment fees from the licensees for the use of various spectrum resources (including broadcast, mobile, internet and satellite). ATRA collects approximately US\$10 million annually from the licensees for these spectrum permits.
- d) In addition, the licenses issued by ATRA require the GSM mobile licensees to submit audited annual financial statements within 90 days of the close of the Solar Year (deadline is 20 June of each year).
- e) On 23 June 2010, the Minister of Communications & Information Technology (MCIT) requested USAID to provide technical assistance to MCIT to ensure that the ATRA financials are in order and prescribed methodologies are used for improving accountability and transparency. Aim was also to train ATRA staff in implementing their fiduciary and statutory mandates. In response, USAID provided technical assistance for a brief period of six months and could only complete some basic tasks such as identifying baseline capacity, preparing a training curriculum, providing classroom training to ATRA accounting staff on elementary aspects of finance and accounting (provided course material for the relevant topics taught), preparing a preliminary chart of accounts, preparing an initial draft of accounting policy and procedure manual, identification of a suitable accounting software and recommending it to ATRA (including arranging establishing contacts between Chief Accountant, ATRA and a potential vendor of the software in UAE).
- f) In order to achieve the desired goals, ATRA needs additional Financial Management Support for overall capacity building and training (both on-the-job training and classroom training).

#### **5) Objective of the Consultancy Assignment:**

Under the Project, a qualified Consultant will function as Financial Management Specialist in ATRA to assist ATRA's Finance Department to achieve the following Objectives:

- a) Analysis of operator financial records and preparation of ATRA's financial statements;
- b) Review and analysis of ATRA's internal financial statements;
- c) Review and analysis of financial statements of TDF (Telecom Development Fund);
- d) Reconciliation of ATRA's bank account(s);
- e) Reconciliation of the TDF bank accounts, with special attention to disbursements;
- f) Review and analysis of ATRA's spectrum fees;

- g) Review and analysis of the financial statements submitted to ATRA by licensees and to support consultations that may be needed to clarify these matters;
- g) Inspection of the E1 contract copies, quarterly returns and annual financial statements of the telecom operators in order to identify any possible cases of evasion of the regulatory fees to ATRA and MCIT and guiding the ATRA staff about how to verify the financial statements of the operators for continued inspections in the future;
- h) Preparation of ATRA's budget and budgetary controls;
- i) Provide mentoring and training to ATRA's staff on all the above mentioned aspects/areas.

## **6) Scope of Work:**

Selected Individual Consultant will execute the following tasks:

- Accounting software installation (Tally Accounting software has already been identified), configuration and software training to Accounts department staff;
- Provide training to ATRA staff to produce annual financial statements for ATRA (which commenced legal operations and established its commercial bank account in mid-2006) for each fiscal year through March 2011;
- Preparation of Chart of Accounts, which is a prerequisite for the transaction recording under correct heads of accounts in the books – this is an essential step for (a) enabling current transactions to be recorded on a daily basis from the commencement of the new financial year, and (b) dealing with the accounting backlog and preparing financial statements;
- Examine ATRA's finances, identify strengths and weaknesses, and making recommendations for improving accountability and reporting (including finalization of written accounting policies and procedures);
- Analytical reporting on ATRA's finances, identifying strengths & weaknesses and making recommendations for improving accountability and reporting (including finalization of the written accounting policies and procedures manual);
- Guide ATRA staff in preparing the books of account and developing annual financial statements for the solar years 1385 to 1389 and for solar year 1390 (year commenced from 03/21/2011) according to the new chart of accounts and accounting policy manual to be prepared;
- Produce annual TDF financial statements (MCIT commenced collection of these fees in mid-2003) for each fiscal year through March 2011;
- Study of the current system (related database, recording mechanism, MIS) and preparation of the draft policy and procedure manual for TDF (study of the relevant law provisions, interpretation of the intended purpose for utilization of the fund will be important);
- Analytical report on TDF finances, identifying strengths & weaknesses and making recommendations for improving accountability and reporting (including finalization of the written TDF policies and procedures manual);

- Reconciliation of ATRA's Bank Accounts (4 in total apart from the bank account for TDF) -it is a prerequisite for developing the financial statements;
- Reconciliation of TDF Bank Accounts (it is a prerequisite for developing the financial statements);
- Assessment of current database, recording system and development of management information system regarding spectrum fees;
- Recommend and develop appropriate database, recording system and development of MIS regarding spectrum fees (including written collection policies and procedures);
- Produce an annual report on ATRA's spectrum fees (will progress in tandem with preparation of the financial statements for the backlog years);
- Produce an Analytical report for the Minister on ATRA's spectrum fees, identifying strengths and weaknesses and making concrete recommendations for improving accountability and reporting;
- Collection of information, primary analysis of available data, identifying further information needs, drafting / modifying suitably the operator reporting formats in order to facilitate proper analysis;
- Produce an Analytical report based on the audited annual financial statements and quarterly reports submitted to ATRA by the licensees and publishing sector financial information in the website / in the annual report of ATRA;
- Train ATRA's staff, to be able to analyze licensees' financial reports;
- Review the accounting policies and practices of licensees and make recommendations concerning adoption of uniform policies across the telecom sector – the review will take account of the need to ensure fair competition, and that a fair proportion of the value derived from efficiency and financial gains from technological improvements are passed on to end users (subscribers);
- Support public consultations that may be needed to clarify these matters;
- Recommend staff responsibilities and structure for ATRA's Finance and Audit departments;
- Developing a training program for ATRA's Staff;
- Conduct daily on-the-job training of ATRA's staff to perform these duties as required by the Telecom Law and ATRA's Rules and Procedures, conduct periodic classroom training on financial analysis and reporting;
- Inspection of the E1 contract copies, quarterly returns and annual financial statements of the telecom operators in order to identify any possible cases of evasion of the regulatory fees to ATRA and MCIT and guiding the ATRA staff about how to verify the financial statements of the operators for continued inspections in the future;
- Report on 'whether or not the operator has been in compliance with payments of regulatory fees as accrued from the contracts;

- Guide ATRA’s staff in collection of financial and operational data and guide ATRA staff to prepare 2012-2013 budgets for ATRA and for collection of TDF and utilization thereof;
- Design and introduce budgetary control documentation;
- Review financial reports, complete budgetary control reports, including variance analysis.

#### **7) Deliverables, Time Schedules and Reporting Requirements:**

- a) The Consultant will report to the Chairman of ATRA, who is also a Co-opted Member of PICU of ICT Sector Development Project of MCIT. The Consultant will be based at ATRA-Kabul, Afghanistan.
- b) The Consultant shall prepare a monthly progress report on all the Tasks as assigned to him.
- c) The project language is English. However, the Consultant shall make provision that all the documents requested by the Client, including the monthly reports will be translated into Dari / Pashto.

#### **8) Qualification Requirements:**

It is important that the applicant has good knowledge of the government and business operations, including financial rules and regulations of Afghanistan. The consultant should have the following qualifications:

- Bachelors degree or above in Finance, Business Administration or Accounting;
- At least 5 years of direct relevant work experience in finance and accounting fields;
- Knowledge of International Financial Reporting System and International Standards on Auditing;
- CPA or equivalent is highly desirable;
- Good understanding and previous work experience in preparation of financial statements, including statements which link the financial to non-financial information;
- Fluency in English and Dari or Pashto (listening, reading, writing, speaking);
- Basic understanding of information systems, including previous work experience using financial and accounting software;
- High integrity and accountability, good team work spirit.
- Good knowledge of business operations in Afghanistan, the Government’s accounting policies and procedures, and knowledge of and experience with international financial management and disbursement procedures and policies.

To ensure impartiality, the consultant (including his home office, if any) must not, in any way, be affiliated with business entities that are currently providing or are seeking to provide goods or services to the project.

An Individual Consultant will be selected in accordance with the procedures set out in the World Bank's [Guidelines: Selection and Employment of Consultants by World Bank Borrowers](#) (January, 2011 edition).

#### **9) Timelines and payment schedules:**

The selected Consultant will be paid on monthly basis, after the monthly Reports have been submitted to the Chairman of ATRA and to the Project Director of ICT Sector Development Project. All the agreed upon Milestones and the Reports of the Consultant will be considered complete only upon the acceptance and formal approval of the Chairman-PICU. All payments will be made within 30 days from the date of submission of approved and signed Invoice, Monthly Activity/Time Sheet and the Monthly Report, both in English and Pashtu/Dari languages.

#### **10) Facilities to be given by ATRA:**

- a) The following services and facilities will be provided by ATRA at Kabul, without any cost to the Consultant:
  - i) *Data:* ATRA will provide the Consultant with access to all available data, information, maps, drawings and internal documents relevant to the consulting services. All reference material will be loaned to the Consultant and shall be returned at the completion of the assignment or earlier, as may be requested;
  - ii) *Access.* ATRA will arrange for access by the Consultant to key officials in the government agencies, local authorities and departments concerned with subjects related to the Assignment;
  - iii) *Logistical support:* The MCIT will provide the consultant with:
    - suitable office space;
    - Shared Telephone in office;
    - Internet access in office;
    - Transport for execution of the official Tasks;

#### **11) Request for Expressions of Interest (REOI) by MCIT:**

The Ministry of Communications and Information Technology (MCIT) now invites eligible Individual Consultants to indicate their interest in providing the services. Interested Consultants must provide information indicating that they are qualified to perform the services (CV, Brochures, Description of similar assignments, experience in similar conditions and availability of appropriate skills etc.).

For further details, Interested Consultants are requested to contact GM-FPD of MCIT, at the address given below, during office hours from 0800 to 1600 hours:

Foreign Procurement Department (FPD) (Attn: Mr. Samimullah Samin)  
General Manager for External Procurements;  
Procurement Department, Ministry of Communications and IT (MCIT)  
Mohammad Jan Khan Watt; Kabul, Afghanistan  
Phone: Office: +93 20 210 37 41; Cell: +93 700 222 009;

Email: [fpd@mcit.gov.af](mailto:fpd@mcit.gov.af)

Web site: [www.mcit.gov.af](http://www.mcit.gov.af)

Any queries on the position may also be addressed to the above mentioned email address ([fpd@mcit.gov.af](mailto:fpd@mcit.gov.af)), with CC to [mi.bhat@mcit.gov.af](mailto:mi.bhat@mcit.gov.af) and [b.hassam@mcit.gov.af](mailto:b.hassam@mcit.gov.af), latest one week before the deadline for submission of expression of interest.

**Expressions of interest, including detailed Resumes must be delivered (by E-Mails) by 11<sup>th</sup> February, 2012, to the addresses as given below:**

- 1) Foreign Procurement Department (FPD) (Attn: Mr. Samimullah Samin)  
General Manager for External Procurements  
Procurement Department, Ministry of Communications and IT (MCIT)  
Mohammad Jan Khan Watt; Kabul, Afghanistan  
Email: [fpd@mcit.gov.af](mailto:fpd@mcit.gov.af)
- 2) Engineer Baryalai Hassam;  
Deputy Minister-Technical; Ministry of Communication and IT;  
Islamic Republic of Afghanistan; Mohammad Jan Khan Watt, Kabul Afghanistan  
Email: [b.hassam@mcit.gov.af](mailto:b.hassam@mcit.gov.af)
- 3) Mohammad Ismail Bhat; Project Director of ICT Sector Development Project-MCIT  
Email: [mi.bhat@mcit.gov.af](mailto:mi.bhat@mcit.gov.af)