

SAINT VINCENT AND THE GRENADINES
Caribbean Digital Transformation Program

Credit No. IDA 66910

Project ID No. P171528

Terms of Reference
FINANCIAL AUDIT
CARDTP-CS-LCS-1

GENERAL CONSIDERATIONS AND REQUIREMENTS

I. Basic Considerations for Audits of Projects Financed by the World Bank

These Terms of Reference (TOR) provide the basic information needed by the auditor to obtain an understanding of the engagement, in order to prepare a proposal and to plan and perform the audit. However, this information must be complemented with that provided in the most relevant Bank publications regarding auditing: Guidelines on Annual Financial Reporting and Auditing for World Bank-financed activities (The Guidelines), Terms of Reference for Audits of Projects, World Bank Disbursement Guidelines for Projects (2006), Financial Management Manual for World Bank-Financed, Disbursement Letter and supporting annexes. The auditors must also be familiar with the Interim Financial Reports (IFRs) for the World Bank Financed Projects. This publication constitutes the basic criteria against which the Bank will measure the quality of the auditor's work when performing the desk review of the audit report. Furthermore, the "Guidelines" are specifically considered an integral part of the TORs.

II. Relationships and Responsibilities

The client for the audits is the Implementing Entities (IE) and the Bank is an interested party. A Bank representative may participate in the entrance and exit conferences; supervise the work performed by the auditors to ensure it complies with the terms of reference and the applicable auditing standards, and to provide comments on the draft audit report.

The IE is responsible for preparing all the financial statements and reports required, and for ensuring that all the necessary records are available for the audit, that all the accounting entries and adjustments are made and that all the necessary actions have been taken to allow the auditors to issue the final report before May 31st each year.

The auditors should maintain on file adequate working papers for a period of three years after the end of the audit. During this period, the auditors should promptly provide the working papers requested to the Bank.

III. Audit Background

During loan negotiations, the Bank and the Borrower agreed that there would be annual independent audits of each Project for the participating countries separately.

IV. Audit Objectives and Applicable Standards

The overall objective of this engagement is to perform a **special purpose framework financial audit**, as defined by the International Federation of Accountants (IFAC) and allow the auditor to express a professional opinion as to whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The more specific objective of this engagement is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework and to report on the financial statements, and communicate as required by the ISAs, in accordance with the auditor's findings¹.

This special purpose audit must be performed in accordance with the International Standards on Auditing (ISA) issued by the IFAC, and therefore must include the tests of the accounting records that the auditors consider necessary under the circumstances.

V. Definition of the Special Purpose Framework

A special-purpose framework is designed to meet the specific needs of a specific user or group of users². Here, the **special purpose framework consists of (i) a set of financial statements established using acceptable reporting standards and (ii) a set of laws, regulations, rules and contractual clauses.**

- (i) A complete set of special purpose financial statements consists of the financial position of the project at the end of the period audited, where the Bank funds shown in the Project financial statements should be reconciled with Bank's records (see Appendix B for schedules 'templates) in include the following:
- a Statement of the Designated Account Reconciliation
 - a Statement of Source and Uses of funds
 - a Statement of Cumulative Investments
 - Notes to the financial statements and supplementary information³

In the preparation of financial statements, the framework criteria may be the International Public Sector Accounting Standards (IPSASs), the International Financial Reporting Standards (IFRSs), or other international or national financial reporting frameworks for use in the public sector.

¹ International Standard on Auditing (ISA) 200

² ISA 800 revised effective for audits of financial statements for periods ending on or after December 15, 2016

³ Notes to the Financial Statements should clearly state the exchange rate used to convert the local currency into the USD.

- (ii) The laws, regulations, rules and contractual clauses that have a direct and material effects on the financial statements are⁴:
- rules for eligibility of expenditures in World Bank financed projects,
 - applicable laws, regulations
 - financial clauses of the WB financing agreement
 - contractual clauses of other co-financing organizations

The specific objectives of the audit are to:

- Issue an opinion as to whether the Project financial statements, including all relevant Designated Account (DA) reconciliations, present fairly, in all material respects, the financial position of the Project, the funds received and the disbursements made during the period audited, as well as the cumulative investments at the end of the period, in accordance with international accounting standards and the requirements of the respective agreements with the Bank.
- Issue an opinion on whether the supplementary financial information for the Project is fairly presented, in all material respects.
- Issue a report with respect to the adequacy of the internal control structure of the implementing institution in regard to the Project. This evaluation should also include the internal controls related to the contribution of counterpart funds for the Project. For this purpose, the report/management letter will be based on an assessment of internal controls, which will take place at *mid-year* for each auditable year of Project execution. This will permit early detection on any internal control issues to provide corrective feedback to the IE prior to the carrying out of the end-year audit.
- Conduct audit of 100 percent of the expenditures that were claimed under retroactive financing and provide separate audit opinion about the eligibility of those expenditures.

V. Scope of the Audit

The audit shall be performed in accordance with generally accepted auditing standards, which must be compatible with the guidelines contained in the Bank publication mentioned above. Therefore, the audit must include adequate planning, the evaluation and testing of the internal control structure and systems and obtaining sufficient objective evidence to allow the auditors to reach reasonable conclusions on which to base their opinions. In conducting their work, the auditors should pay special attention to the following requirements:

⁴ The audit of financial statements seeks to obtain sufficient appropriate audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements. ISA 250

- All Project funds - external or counterpart funds - should be used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- Goods, Works and services financed should be procured in accordance with the relevant financing agreement.
- Implementing entities should keep all necessary supporting documents, records, and accounts in respect of all Project ventures including expenditures reported via Interim Financial Reports (IFRs) and Designated Account (DA). Clear linkages should exist between the books of account and reports presented to the Bank.
- Where a DA has been used, it should be maintained in accordance with the provisions of the relevant financing agreement.
- Conduct audit of 100 percent of the expenditures that were claimed under retroactive financing and provide separate audit opinion about the eligibility of those expenditures.
- The Project accounts should be prepared in accordance with International Accounting Standards consistently applied and give a true and fair view of the financial situation of the Project at the end of the period and of the resources and expenditures for the year ended on that date.

The audit should be performed in accordance with acceptable auditing standards, and therefore should include the tests of the accounting records that the auditors consider necessary under the circumstances. The auditors should be alert for situations or transactions that may indicate fraudulent, wasteful or illegal acts and expenditures. If such evidence exists, the auditors must communicate the situation simultaneously to a duly authorized representative of the Bank and to the Project management, and exercise caution and due professional care in expanding their audit steps and procedures related to illegal acts. Section 240 of the ISA provides guidance on this respect.

VI. Other Responsibilities of the Auditor

In compliance with the ISAs, the auditor should comply with the following requirements:

- A. Conduct entrance and exit conferences with the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology of St. Vincent and the Grenadines.
- B. Plan the audit work so that preliminary reviews can be conducted during the period under review (including the first few months), with the purpose of evaluating the systems of internal control and communicating to the implementing entity in a timely manner any situations that merit the attention of management before the issuance of the final audit report.

- C. Independently reference the audit report before issuing it.
- D. Obtain a Management Representation Letter in accordance with section 580 of the ISA, signed by the management of the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology.
- E. Communicate deficiencies in internal control to those charged with Governance and management in accordance with ISA 265.

VII. Audit reports

A. Audit Report on the financial statements of the projects

The auditors shall issue their report in accordance with ISAs 700, 701, 705, 706, 710, 1720 and ISA 800. All the reports resulting from the audit of the project should be incorporated into one document and expressed in USD. This report should be addressed and delivered to the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology one month before as per the requirements of the Financing Agreements so that the audit report could be approved and sent to the Bank to comply with the requirements of respective Legal agreements. The report shall be issued in English, duly signed and bound, in original and 9 (nine) copies.

The report for the Project should contain at least:

- **An opinion on the special purpose financial statements**, which as described in paragraph VII Definition of the Special Purpose Framework includes among other items: whether: (a) the expenditures reported are eligible for financing, any costs that are not supported by adequate records or that are not eligible under the terms of the loan agreement (questioned costs) should be identified; (b) the expenditures claimed for retroactive financing are eligible; (c) loan funds have been adequately reflected in the financial statements used only for Project purposes, and (d) the entity complies with the terms and financial covenants of the loan/credit/grant agreements and applicable laws and regulations (regarding the financial aspects).
- D. **Appropriate communication in the form of a report on internal control** to those charged with governance and management of deficiencies in internal control that auditor has identified during the audit and that, in the auditor's professional judgment, are of sufficient importance to merit their respective attentions including the adequacy of the internal control structure of the implementing institution in regard to the project. The communication should disclose, among other information discussed in the Guidelines, the reportable conditions (those that have an impact on the financial statements), including the identification of material weaknesses in the internal control structure of the implementing unit, recommendations as well as the comments by the management of the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology. In addition, this communication should include a section on the follow-up of recommendations made in prior audits, indicating

the current status of the recommendations as corrected, partially corrected, or not corrected. The deficiencies that still have not been corrected should be reported again in the current audit report, along with the corresponding management's comments.

In addition, the report should include:

- **A title page, table of contents, a transmittal letter** to the Director-General, Finance and Planning and a summary containing the information required in the Guidelines.
- **A summary of the main audit procedures performed** for planning the audit, evaluating the internal control structure, checking the figures included in the financial statements and other areas subject to audit, and for evaluating compliance with terms of the applicable agreements, laws and regulations.
- **Communication** on matters that have come to the attention during the audit which might have a significant impact on the implementation of the Project.
- **Written representation from the management**⁵ in the form of a management letter. In the letter, management should indicate that they believe that they have fulfilled their responsibility for the preparation of the financial statements and for the completeness of the information provided to the auditor. In addition, management, should provide a written representation that it has communicated to the auditor all deficiencies in internal control of which management is aware including the follow-up of recommendations made in prior audits, indicating the status of the recommendations as corrected, partially corrected, or not corrected. The deficiencies that still have not been corrected should be reported again in the current audit report, along with the corresponding management's comments.

In pursuant to the World Bank's policies audited financial statements are publicly disclosable but management letters are not. As such, both reports should be segregated.

VIII. Inspection and Acceptance of the Audit Work and the Reports

The Bank is responsible for inspecting and accepting the audit reports and may appoint individuals or firms to carry out these activities, including the review of the working papers and of the auditor's quality control procedures. If the report is not acceptable or not fully satisfactory due to deficiencies in the audit work, or because the report does not comply with the requirements stated in these TORs or the Guidelines, the auditor shall perform the necessary additional work at no additional cost to the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology, the Project or the Bank.

⁵ ISA 580

Also, the representative of the Bank may contact the auditors directly to request any additional information related to any aspect of the audit or the Project financial statements including audit working papers. The auditors must satisfy such requests promptly.

If the Bank determines the audit report is not fully satisfactory, it will send a letter to the IE indicating the actions suggested correcting the deficiencies identified and asking that the Bank be informed of any corrective actions taken. The IE will also be informed of any aspects of the audit report that are not in compliance with the TOR, so that the auditor will correct the deficiency within a specific timeframe or in the subsequent audit.

IX. Terms of Performance

The auditor will issue the draft reports on or before May 31st of each year to allow the Ministry of Finance, Economic Planning, and Information Technology to send to the Bank the final audit reports on or before June 30th of each year.

Payment for the audit services will be as follows:

- Interim payment on presentation of Draft audit report.
- Final payment on acceptance of the audit report

Other Issues pertaining to the Project are reflected in Annex – I. The Auditors would be provided with a copy of the Project Appraisal Document (PAD), Operations Manual of the project and the legal agreement, to understand the details and the complexities of the Project.

X. Duration of the Assignment

- Caribbean Digital Transformation Project - St. Vincent and the Grenadines for the periods:
 - o Financial years (FYs) ending on December 31st 2021, 2022, 2023, 2024, 2025 and 2026
 - o The duration of this contract will be approximately 75 months; subject to any extensions
 - o In the event of any extensions of the Project, the rates provided for FY 2026 shall apply for an extension lasting up to twenty-four months.

XI. Qualifications and Experience

- The Consultant must have experience in auditing World Bank or other donor-financed projects in the past five years
- The Consultant must have at least five (5) years' experience performing audits according to ISA issued by the IFAC.

XII. ACCESS TO INFORMATION

Public Disclosure: The guiding principle of the World Bank's Access to Information Policy is that all information it creates is made public unless it contains restricted information. In

line with this policy, the final audit report will be publicly disclosed. Before finalizing the document, the World Bank requests the client to identify whether the document contains any sensitive information, or information whose disclosure may adversely affect relations between the Bank and the client. The Bank, as it considers appropriate, makes adjustments to the document to address the matters of concern to the client.

XIII. GENERAL

The auditor would be given access to all documents, correspondence, and any other information, which is deemed necessary by the auditor, relating to the project. The auditor should obtain confirmation of amounts disbursed and outstanding from the World Bank. It is highly desirable that the auditor become familiar with the Bank's *Guidelines on Financial Guidelines*. The auditor shall also be familiar with the Bank's *Disbursement Manual and Guidelines, Procurement under IBRD Loans and IDA Credits*, the auditor would be provided copies of the Project Implementation Plan; PAD.

APPENDIX A-

CARIBBEAN DIGITAL TRANSFORMATION PROGRAM - National Level Program Details – St. Vincent and the Grenadines (SVG)

Background

- 1. The Government of St. Vincent and the Grenadines (GOSVG) has invested in building a high-speed fiber-optic based Government Wide Area Network through the World Bank funded CARCIP project.** The project is close to completion, with Government locations in the capital city of Kingstown already connected to the infrastructure. However, gaps in terms of in-building connectivity remain and limit the ability of GOSVG to utilize the digital infrastructure developed as well as its ability to adopt digital services and tools within government and to deliver public services digitally. While Government connectivity needs will be largely met after filling Local Area Network gaps, access to and adoption of high-speed broadband connectivity among the general public and businesses remains a challenge. Additionally, with increased connectivity and potential to develop and adopt digital services, there is a need to boost capacity of the central Information Technology Services Division (ITSD) to be able to serve Government needs and skilling of the broader civil service to use the digital tools that will be available, enabling effective digital public service delivery.
- 2. The Government has identified the development of citizen-facing digital government services as a key priority, to improve the user experience for citizens accessing public services and to improve the efficiency of internal government operations.** Given SVG's geographic context as an archipelago, digitization of citizen-facing services can have a significant impact on the quality of life of citizens, particularly those living in the Grenadines, enabling citizens in remote locations to access services and information without time consuming and costly physical journeys. GOSVG is also seeking to mitigate the impact of climate change and natural disasters by putting in place resilient policies and systems that promote government business continuity in the event of natural or other disasters. These priorities follow from the priorities identified in the National Economic and Social Development Plan 2025.
- 3. Improving digital public service delivery and modernizing government operations will require a number of cross-cutting enablers to be put in place – namely and enterprise architecture and interoperability framework, digital identification, authentication infrastructure, and a government payment platform.** As the Government's digital footprint expands, and citizens' use of internet increases, as will the vulnerability to cyber threats. Cybersecurity is a shared concern in the region, and the need for necessary national and regional level capacity to mitigate against these threats is highlighted. The CARDTP program is designed to build the cross-cutting enablers of digital government, digitize specific priority services, fill existing infrastructure gaps, and contribute to the expansion of the benefits of public sector modernization to citizens and businesses. Note that the sub-component numbering aligns with the overall regional program framework (not all sub-components will have a national level implementation).

Project Components

Component 1: Digital Enabling Environment

Subcomponent 1.3: Cybersecurity, Data Protection and Privacy (US\$ 2.0 million)

4. **The project will support for development of national level cybersecurity capability to monitor, identify, protect against, and respond to cyber threats and support for requisite enabling environment and capacity improvements at national level.** The CERT will be established using a regionally compatible design and frameworks developed as part of the regionally implemented activities under the subcomponent. Specific activities under this subcomponent include –

- Financing for hardware and software necessary for CERT activities including threat monitoring, incident logging, automation of investigation, and sensors for collection of telemetry information.
- Support for CERT human capacity including support for hiring of CERT manager and analysts
- Development of CERT operational procedures, work plan, roles and responsibilities matrix, financial sustainability plan (CapEx and OpEx), and localization of regionally developed trust and transparency frameworks.
- Support for implementation of regionally developed cybersecurity standards and protocols for critical public and private sector infrastructures, including development of standardized information sharing mechanisms.
- Support for development and implementation of a national level awareness campaign; training and general awareness for civil servants; and professional training opportunities for ICT professionals and potential CERT cybersecurity analysts

Component 2: Digital Government Infrastructure, Platforms, and Services***Subcomponent 2.1: Cross-Cutting Enablers of Digital Government Operations and Services (US\$ 5.75 million)***

5. **Digital Government strategy, standards, business continuity, and protocols (US\$ 0.5 million):** This activity supports the development of necessary strategy and frameworks to guide public sector digitization along the three dimensions of technology, processes, and people. This includes the development of targets for government digitization, a roadmap for its implementation, and standards and protocols to enable the automatic flow of information and data across government. This will also strengthen and streamline the enabling environment for public sector digitization, support coordination and the development of an integrated approach towards digital public service delivery. It will also support resilience and business continuity in the event of natural disasters. Specific tasks include the following –

- Development of a digital government strategy and milestone-based roadmap for implementation, aligning with key policy documents such as the climate resilience action plan and economic development policies and strategies.
- Development of a government-wide Enterprise Architecture (EA) and interoperability

framework to govern the public sector digitization process and enable the development of an integrated approach to public sector operations and service delivery.

- Development of a continuity of operations plan for the public sector.
- Training of enterprise architects and ICT Unit staff on the EA and interoperability framework to facilitate implementation of digital government; Awareness raising among the public service, particularly mid and senior management, on the existing IT policies and newly developed standards and processes for development, maintenance, and upgrade of IT systems.

6. **Unique digital identifier and citizen authentication (US\$ 2.0 million):** The ability to digitally identify and authenticate individuals is key to delivering public services digitally, as it enables safe, secure, and legally verifiable access to public services. The activity will build on previous efforts around the development of a regionally standardized identifier—the multi-purpose ID number (MPID)—by utilizing the same numbering system to facilitate regional interoperability. The use of the MPID number as the unique identification number (UIN) will enable the back-end integration of various identification registries in the country, and when combined with an authentication layer and payment platform, will facilitate digital public service delivery. Specific tasks include the following –

- Legal and regulatory assessment and recommendations on necessary reforms to implement an integrated ID system and authentication platform.
- Assignment of the MPID numbering system based UIN to individuals on a foundational ID registry (civil registry, as currently agreed)
- Development of a digital authentication layer to access digital government services and linked with currently accepted forms of ID.

7. **Digital infrastructure strengthening (US\$ 1.55 million):** This activity will fill infrastructure gaps in supporting the implementation of government digitization efforts. The activity includes enhancing data storage capability and improving resilience of digital government and ability for civil servants to work remotely. Specific activities include –

- Support for development of a government datacenter or use of commercial cloud services to host government data and services, including migration from existing arrangements of fragmented storage at the level of individual ministries and agencies to the selected platform/infrastructure. All storage solutions (whether new infrastructure or services) will follow best practices for green energy, mitigation of climate related risks (siting servers out of flood plains, etc.) and ensuring automated backup and disaster recovery of data.
- Financing support to upgrade and install in-building connectivity solutions—wiring and Wi-Fi routers—for government locations connected to the Government Wide Area Network (CARCIP infrastructure).

8. **Government payment platform (US\$ 1.0 million):** The activity will support the deployment of an integrated electronic payment system to enable Government, citizens, and businesses to transact

electronically in a seamless and secure way, facilitating end-to-end digital public service delivery. This will also ensure a continuity of funds flow in the event and aftermath of a natural disaster. Specific activities will include –

- Support to develop a government payment platform to enable e-payment for government services, licenses, permits etc. by individuals and businesses.
- Technical Assistance for negotiations with banks and other financial institutions to reduce fees charged for transactions in order to support uptake.

9. **E-Document management system (US\$ 0.5 million):** The activity will support the development and implementation of an e-document management system. Such a system will improve public sector productivity and reduce paper consumption in government operations. The activity will also include support to review and update policy, legislation, and regulation governing digital signatures and authentication to facilitate integration of the system with digital signatures infrastructure. Associated training and awareness raising programs for users of the system will also be financed by the activity.

10. **Capacity building of public sector IT professionals and civil servants (US\$ 0.2 million):** Financing for awareness raising and training program to support technical capacity development of the Government Information Technology Services Department (ITSD0 and other ICT staff as relevant. Capacity building activities will be financed on the basis of development and approval of an annual training program.

Subcomponent 2.2: Government Productivity Platforms and Citizen-Centric Digital Services (US\$ 17 million)

11. **End-to-end digitization, business process re-engineering, and integration of priority services and systems (US\$ 2.5 million):** This activity will finance the digitization of specific citizen facing services, development of a data exchange platform and back-end integration of key systems, registries, databases, and platforms with each other. Such an integrated data exchange platform and service bus can enable interlinkage of the cross-cutting enablers of digital government (identification, authentication, and payment platforms) as citizen facing public services are digitized. Specific tasks include –

- Back-end integration and clean-up of existing ID systems, registries, and databases using the tokenized MPID number based UIN assigned to individuals in the selected foundational ID registry (civil registry).
- Development of a government portal (web/mobile) for citizens to access digital government services.
- Business process re-engineering and end-to-end digitization of citizen facing services such as drivers' license, passport, business registration, motor vehicle registration and other as identified.
- Development of an enterprise service bus/data exchange platform interlinking the various systems, databases, and services within Government (including those digitized above), and

support for integration with the authentication layer and government payment portal.

- Capacity building and training of ICT Unit staff on the use, maintenance, and enhancement of the data exchange platform developed.
- Integration of newly digitized databases and services with the government web/mobile portal for secure access to citizens.

12. **Single window for land/property transactions (US\$ 3.5 million):** The activity will support the development of a one-stop-shop for land and property transactions. This includes –

- Development and implementation of an Integrated Geospatial Infrastructure Framework (IGIF) and national action plan covering areas such as governance, institutions, policy, legal, financial, data, innovation, standards, partnership, capacity, education, communication and engagement
- Implementation and maintenance of a National Multipurpose Cadaster including cartography development and cadastral surveying.
- Recovery of paper deeds (when applicable), digitalization and indexation.
- Design and implementation of a parcel-based Land Information System with a standardized parcel-based data architecture (as recommended in the interoperability framework developed under subcomponent 2.1) that enables inter-operability of Cadaster and Land Registry information with other key datasets such as disaster risk management, building permits and other planning information.
- Standardization and streamlining of the land transactions workflow and business processes, based on a citizen-centered, service-oriented approach (“One-stop-shop”) to reduce transaction time and costs of land transactions.

13. **Single window customs clearance (US\$ 2.0 million):** Financing for the extension of the Asycuda World platform and integration with necessary systems for permits and authorizations. Activity will also include support for training, business process re-engineering, and ongoing technical support from the vendor.

14. **Tax system development (USD 9 million):** The activity will finance the implementation of a tax administration system following a modular approach (prioritizing modules/functions based on criticality). This includes –

- Feasibility study to assess needs and technical requirements for the tax administration system, and develop terms of references and bidding documents.
- Design and implementation of a tax administration system, following a modular approach.
- Business process reengineering and associated training for civil servants and ITSD staff for operating and maintaining the system.

Component 3: Digital Skills and Technology Adoption

Subcomponent 3.1: Workforce-Ready Digital Skills (US\$ 1.0 million)

15. **This sub-component aims to support training to employment opportunities in digitally enabled professions.** It will complement the regional level activities supporting more advanced and specialized digital skills development and remote working placements with global firms and clients. It will include a digital skills development and workforce readiness coaching program targeting development of skills identified to be in demand within digitally enabled professions in SVG or in the Eastern Caribbean Region (as identified through the regional level activities under component 3). Implementation will be through a local training institution, potentially in partnership with a firm or non-profit foundation to administer the skills trainings, provide job coaching and “soft” skills support to participants and develop partnerships with private sector industries interested in contributing to curriculum development, executing the trainings and hiring of graduates. The program will include dedicated outreach and programming to attract and support women and at-risk youth to participate in the program and will be administered through a combination of in person training and mentoring and online learning to enable more flexible participation by a wider range of interested individuals.

Subcomponent 3.2: Technology Adoption (US\$ 1.75 million)

16. **This sub-component seeks to increase adoption of digital technologies, platforms and digitally enabled business models by small and medium enterprises (SMEs).** It aims to boost the productivity and competitiveness of traditional industries, initiate a cultural shift towards modernization and innovation in the private sector and to overcome the current lack of demand for digitally skilled professionals and IT services in the regional market. Specific activities will include:

- A program to accelerate the adoption of digital technologies within priority sectors (tourism, agriculture, education etc.) including managerial training, and business advisory services to selected SMEs to support digital technology and marketing investments.
- Support for purchase of digital devices and associated digital content and training to support access among vulnerable groups and remote learning by students

Component 4: Project Implementation Support (US\$ 2.5 million)

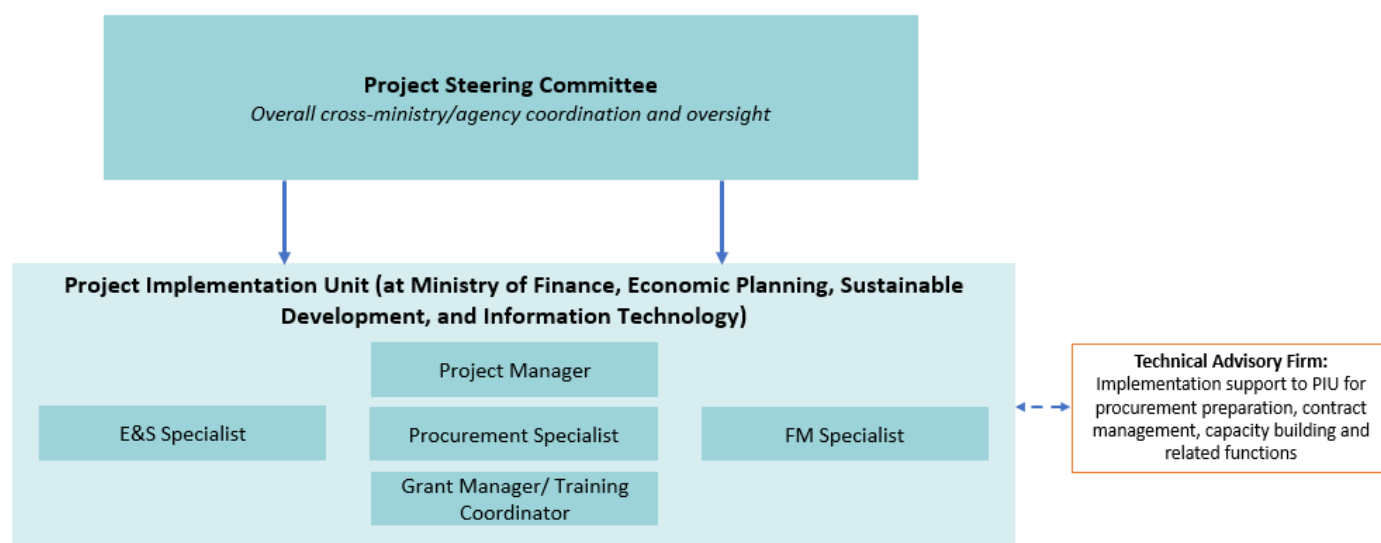
17. **This component includes support to the PIU for the implementation and management of national level project activities, including for staffing of the PIU as well as capacity building and training initiatives.** Key technical functions to be supported can include but will not be limited to project manager, technical specialists, procurement specialists, financial management specialist, environmental and social safeguards specialists, monitoring and evaluation and communications. Day-to-day operational expenses/overheads will be financed through counterpart funding.

National Level Implementation Arrangements

18. **Recognizing the cross-cutting as well as technical nature of the activities being implemented, GOSVG has proposed a multi-layer implementation structure, with an independent PIU housed in the Ministry Finance, Economic Planning, Sustainable Development, and Information Technology.** The PIU will utilize existing procurement and financial management capacity within the Ministry prior to recruitment of additional dedicated specialists to augment PIU capacity. The Director, Economic Planning, Ministry of Finance,

Economic Planning, Sustainable Development and Information Technology, will undertake coordination responsibilities for project implementation until a full-time project manager is recruited. As seen in figure A6.1 below, the project implementation arrangements account for cross-government coordination at strategic and working levels, as well as regional coordination through participation of the responsible line ministry in the regional project oversight committee. The implementation arrangements take into account lessons learned from prior project implementation experiences and includes full-time technical expertise at the PIU, in the form of a technical advisory firm, to support procurement preparation, contract management and quality assurance for each activity being implemented, as well as capacity building of implementation staff.

Figure A6.1: Implementation arrangements – SVG



19. The following table highlights the roles and responsibilities of the various elements of the implementation arrangements agreed with GOSVG.

Table A6.1: PIU roles and responsibilities

Element	Roles and Responsibilities
Project Steering Committee (PSC)	<p>Facilitate coordination between the different ministries and regional implementation mechanism and address policy issues impacting project implementation. Responsible for overall oversight of project implementation progress, including review of annual implementation plans and progress reports.</p> <p>PSC members include: Ministry of Finance Economic Planning, Sustainable Development, and Information Technology; Ministry of Legal Affairs; Ministry of Education, National Reconciliation, and Information; Ministry of Housing,</p>

	Settlements, Land Surveys, and Physical Planning
Project Implementation Unit (PIU)	<p>The PIU is housed in the Ministry of Finance and Economic Planning, Sustainable Development, and Information Technology. It will use project funds to recruit a dedicated project manager, and augment capacity for procurement, FM, and E&S, given the scale and complexity of the project.</p> <p>Additionally, the PIU will include the following role, also staffed using project funds –</p> <p><i>Training and Technology Adoption Coordinator/Grants Manager:</i> Individual responsible for implementation and oversight of component 3 activities, in collaboration with selected implementation partner. This role will include management and oversight of the technology adoption grants program (overall coordination, processing applications, monitoring and evaluation (M&E).</p>
Technical Advisory Firm	Firm with responsibility to drafting of technical specifications and terms of reference for project activities being procured in coordination with relevant public and private sector stakeholders. The firm will also be responsible for training bid evaluation committee members for each activity, support contract negotiations, contract management, capacity building of implementation staff, and provide in-house advisory services pertaining to project implementation to GOSVG.

Table 1.2 Program Cost and Financing for the Caribbean Digital Transformation Program

Part	Component Activities	Estimated Cost USD
A	Digital Enabling Environment	2,000,000
B	Digital, Government Infrastructure, Platforms and Services	22,750,000
C	Digital Skills and Technology Adoption	2,750,000
D	Project Implementation Support	2,500,000
Total Project Financing		30,000,000
Expenditure up to		
Project Financing to be audited		

APPENDIX B
FINANCIAL STATEMENTS TEMPLATES

The following statements are the minimum requirement and should be incorporated in the audit report.

Name of project Sources and Uses of Funds - Amounts in US\$'000 FOR THE YEAR ENDING XXX									
	Current Period			Cumulative			Cumulative		
	Actual			Current			Prior Year		
	SF1	SF 2	SF3	SF 1	SF2	SF3	SF 1	SF 2	SF 3
RECEIPTS									
Source of Financing									
Government									
World Bank									
Other sources									
Designated Account									
Direct Payment									
Retroactive									
Financing									
Total Receipts (A)									
LESS EXPENDITURES									
Component 1									
Component 2									
Component 3									
Total Expenditures (B)									
RECEIPTS LESS EXPENDITURES									
Net Change in Cash (A - B)									
Foreign Exchange Adjustment									
BANK BALANCES									
Opening Cash Balances									
Designated Account									
Project Account									
Total Opening Balance									
Closing Cash Balances									

Designated Account									
Project Account									
Total Closing Balance									

Name of Project Statement of Cumulative Investments Year Ended XXXXX			
Categories	Current Year US\$	Current Cumulative US\$	Prior Period Cumulative US\$
Category 1			
Category 2			
Category 3			
Total			

The Statement of the Designated Account and Project Accounts used for managing the funds provided by the Bank must present fairly the availability of funds at the end of the period audited, as well as the transactions made during the same period, in accordance with the provisions for the use of the funds established in the corresponding agreements with the Bank

DESIGNATED ACCOUNT RECONCILIATION STATEMENT					
LOAN/CREDIT/PPF/COFINANCIER NUMBER			Source of Financing US\$		
		US\$ (total)	SF 1	SF 2	SF 3
1	TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)				
2	LESS: ELIGIBLE EXPENDITURE FOR THE CURRENT YEAR ENDED _____ DOCUMENTED BY WORLD BANK				
	LESS: CUMULATIVE ELIGIBLE EXPENDITURE FOR THE PRIOR PERIODS ENDED _____ DOCUMENTED BY WORLD BANK				
3	<i>PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)</i>				
4	BALANCE OF USD DESIGNATED ACCOUNT PER BANK RECONCILIATION STATEMENT AS AT YEAR END				
	BALANCE OF PROJECT ACCOUNT PER BANK RECONCILIATION STATEMENT AS AT YEAR END				
5	PLUS: ELIGIBLE EXPENDITURE FOR THE CURRENT YEAR DOCUMENTED AFTER THE YEAR END				
6	PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED				
	REASON: _____				
7	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS APPLICATION NO.				
	WA # XXX				
	WA # XX				
8	SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED				
	LESS: INTEREST EARNED				
9	<i>TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)</i>				
10	DIFFERENCE (3 - 9)				

11 EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10
