SAINT VINCENT AND THE GRENADINES

Human Development Service Delivery Project
SVG IDA Credit No. 6060-VC

OECS Regional Tourism Competitiveness Project
SVG IDA Credit No. 6001-VC

OECS Regional Agriculture Competitiveness Project
SVG IDA Credit No. 6064 - VC

Terms of Reference
FINANCIAL AUDIT

GENERAL CONSIDERATIONS AND REQUIREMENTS

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

These Terms of Reference 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: the Guidelines on Annual Financial Reporting and Auditing for World Bank-financed activities (The Guidelines). 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 of each project 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

The overall objective of this engagement is to allow the auditor to express a professional opinion on the financial position and performance of the projects at the end of the period audited and to report on the adequacy of the internal controls. The engagement will include a special purpose audit of each Project, including the resources provided by the Bank and any other sources of funding. The Bank funds shown in the Project financial statements should be reconciled with the Bank funds included in the entity's financial statements through a note to the financial statements. Notes to the Financial Statements should clearly state the exchange rate used to convert the local currency into the USD.

Audit of the Project: This special purpose audit must be performed in accordance with the International Standards on Auditing issued by the International Federation of Accountants (IFAC), and therefore must include the tests of the accounting records that the auditors consider necessary under the circumstances. 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 those were claimed under retroactive financing, and provide separate audit opinion about the eligibility of those expenditures.

V. Procedures and 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:

- 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 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 IFRs and 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 those 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 International Standards on Auditing provides guidance on this respect.

VI. Other Responsibilities of the Auditor

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 (MoFESI) 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 International Standards on Auditing, signed by the management of the MoFESI

VII. Audit reports

A. Audit Report on the financial statements of the projects

The auditor will submit an audit report for each project.

Once each audit has been completed, the auditors shall issue the respective report containing the specific opinions and conclusions required. All the reports resulting from the audit of the Project should be incorporated into one document. This report should be addressed and delivered to the MoFESI 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(s) shall be issued in English, duly signed and bound, in original and 9 copies. The report for the Project should contain at least:

A. A title page, table of contents, a transmittal letter to the Director of Planning and a summary containing the information required in the Guidelines.

B. The audit report and opinion on the Project financial statements, their corresponding notes and supplementary information. 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.

C. The audit's report on the internal control structure for the Project. The report 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, as well as the comments by the management of the Ministry of Economic Planning etc.

D. This report 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.

E. 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.

F. Provide a separate audit opinion on the eligibility of the expenditures claimed for retroactive financing.

B. Management Letter

In addition to the audit reports, the auditor will prepare a "management letter," in which the auditor will:

(i) Provide comments and observations on the notes to the accounts, accounting records, systems, and internal controls that were examined during the course of the audit;

(ii) Identify specific deficiencies and areas of weakness in systems and internal controls and make recommendations for their improvement;

(iii) Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance; and

(iv) Communicate matters that have come to the attention during the audit which might have a significant impact on the implementation of the Project.

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 Economic Planning etc, the Project or the Bank.

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 Terms of Reference, so that the auditor will correct the deficiency within a specific timeframe or in the subsequent audit.

IX. Terms of Performance

OECS Regional Agriculture Competitiveness Project (P158958 and IDA 6064)
The auditor will issue the draft reports on or before March 31st of each year to allow the Ministry of Economic Planning etc to send to the Bank the final audit reports on or before June 30th of each year.

Human Development Service Delivery Project (P154253 and IDA 6060)
The auditor will issue the draft reports on or before April 30th of each year to allow the Ministry of Economic Planning etc to send to the Bank the final audit reports on or before June 30th of each year.

OECS Regional Tourism Competitiveness Project (P158958 and IDA 6001):
The auditor will issue the draft reports on or before May 31st of each year to allow the Ministry of Economic Planning etc to send to the Bank the final audit reports on or before June 30th of each year.

Payment for the audit services for each project will be as follows:

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

Other Issues pertaining to each project are reflected in Annexes A to C. For each project, the Auditors would be provided with a copy of the Project Appraisal Document, the operations manual and legal agreement, to understand the details and the complexities of each project.

X. Duration of the Assignment

The Consultant will be required to audit the:

- OECS Regional Agriculture Competitiveness Project for the periods:
    - September 12, 2017 to December 31, 2018
    - Financial years ending on December 31st 2019, 2020, 2021 and 2022.

- SVG Human Development Service Delivery Project for the periods:
    - September 13, 2017 to December 31, 2018
    - Financial years ending on December 31st 2019, 2020, 2021 and 2022.

- OECS Regional Tourism Competitiveness Project for the periods:
    - August 31, 2017 to December 31, 2018
    - Financial years ending on December 31st 2019, 2020, 2021
    - And for the period covering January 1st, 2022 to September 1st, 2023.

The duration of this contract will be approximately 107 months.

XI. Qualifications and Experience

- The Consultant must have at five (5) years' experience performing audits according to International Standards on Auditing issued by the International Federation of Accountants (IFAC).

- Experience auditing World-Bank financed projects over the past five years would be an asset.

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; Project Appraisal Document (PAD).

ANNEX A -

OECS REGIONAL AGRICULTURE COMPETITIVENESS PROJECT

The scope of the proposed project is based on successful experiences with productive alliances (PA) in other operations supported by the World Bank in the region, adapted to the specific conditions of small island economies such as Grenada and SVG. As noted, the PA approach is intended to improve access to markets for AAs and small-size FFs, using the private sector as a vehicle to foster smallholder production in accordance to market demand in terms of quantity, quality, and timeliness. The main components, apply to both borrowing countries.

Component 1: Support for Preparation of Business Plans (US$0.40m)

The objective of this component is to: (a) promote an understanding of the Project's scope and objectives through outreach to potential stakeholders and beneficiaries (such as individual and organized FFs, AAs, buyers, and lenders); (b) identify potential business opportunities for prioritized value chains and their translation into viable and profitable business proposals; and (c) prepare full business plans for selected proposals.

This component will finance the provision of goods, consulting and non-consulting services, training and operating costs in support of implementing pre-investment activities, including:

(a) Development and implementation of a communication and information dissemination strategy to raise awareness of the Project and its activities;

(b) Organization of networking events, including business roundtables and local workshops for supporting the formation of strategic alliances between aggregators and agro-processors ("AAs") and farmers and fishers ("FF"), buyers, and lenders;

(c) Provision of Training to AAs, FFs and buyers to identify business opportunities and to translate them into viable business proposals;

(d) Implementation of a country-wide call for interested parties to present business proposals;

(e) Evaluation of business proposals, and selection of those proposals to be developed into business plans;

(f) Provision of technical assistance for the preparation of sustainable and competitive business plans;

(g) Evaluation and selection of final business plans, and the preparation of Subproject Agreements for those selected plans; and

(h) Analysis of the qualifications of input suppliers eligible to participate in the voucher program under Component 2 of the Project.

A Technical Assistance Agreement between the borrowing countries and the Food and Agriculture Organization (FAO) of the United Nations, financed by contributions from the credit proceeds of both countries, will include TA support for the implementation of activities described under (c), and (f) above.

Component 2: Implementation of Business Plans (US$2.95m; beneficiaries: US$ 0.72m)

The objective of this component is to provide matching grants to co-finance the implementation of technically feasible, financially viable, economically profitable, socially responsible, and environmentally sustainable business plans, which, when implemented, will contribute to a consistent and timely supply of sufficient quantities of quality produce to buyers while providing a reliable income to allied FFs. The implementation of these Business Plans will make possible an increase in productivity and quality of the products, as well as reducing dependency on rainfall, thus increasing supply during peak season and reducing vulnerability to climatic factors. In addition, Component 2 is expected to provide climate change co-benefits derived from: (a) adaptation, by promoting innovative resource management practices to increase resilience, expanding the use of crops and crop mixes/rotations less vulnerable to climate variability, and expanding the use of protected agriculture and drought/heat resistant varieties; and (b) mitigation, by promoting agricultural intensification using higher yielding varieties, carbon sequestration species and cropping patterns, improving irrigation measures and replacing traditional sources of energy (see Annex 4).

This component will finance:

(a) The implementation of a matching grant and voucher program, including the provision of:

   (i) training for capacity building to AAs receiving matching grants (such as in logistics, storage, marketing, agronomy, accounting, financial literacy, food processing, good manufacturing practices, packaging, labelling, traceability, quality control, food safety and hygiene, legal and environmental aspects) and FFs receiving vouchers (such as in good production practices, modern and improved technologies, climate-smart agriculture, post-harvest handling, and financial literacy); and

   (ii) Support in supervising the implementation of the selected business plans, including assisting the PIUs to put in place a technical supervision and implementation support system, capable of following up the implementation of the Business Plans making sure they follow the approved Plans and detecting real or potential issues that could compromise the expected results of the Plans or their effectiveness.

(b) Provision of matching grants to eligible AAs, and vouchers to eligible FFs, which are allied with the respective AAs, for the purpose of implementing the business plans selected under Component 1 of the Project, and co-financing investments under said plans, including:

   (i) for the selected AAs: (A) equipment (transport, office, ICT tools/mobile applications, cold storage, product processing, and so on), infrastructure (such as storage/warehouse and cold chain facilities) and other related inputs, and (B) technical assistance and specialized Training related to their respective business plans; and

(ii) for the selected FFs: (A) farming equipment, infrastructure and other related inputs (such as equipment for land preparation and harvesting, irrigation infrastructure (including rainwater harvesting structures and pressured irrigation, greenhouses, tunnels, hydroponics, aquaponics, and so on), and (B) fishing equipment, infrastructure and other related inputs (such as boats and fishing implements, logistics, temporary cold storage)

(c) Provision of:
   (i) Technical assistance and Training on procurement to AAs receiving Matching Grants, and
   (ii) Specialized Training, in relation to the implementation of the relevant business plans, to FFs receiving Vouchers.

The Technical Assistance Agreement to be signed between both countries and FAO to be financed under the Project will include necessary technical support for the implementation of activities described under (a) above, unless such activities constitute a conflict of interest with the services provided under this assignment.

Each business plan will need co-financing from the AA (at least 20 percent of the AA investments for producer organizations and at least 50 percent for other private sector AAs). At least 10 percent of the AA costs of the subproject7 will have to be allocated upfront in cash by the beneficiary. The rest of the counterpart financing of the business plan will have to be covered by the beneficiaries from their own funds or through resources provided by other lenders (banks, credit unions, development banks, private sector, etc.). Proof of the availability of resources secured in advance from these sources will be a condition to start implementation of a subproject. Producer organizations with potential will be encouraged to participate as AA; however, to give them better opportunities to participate as AAs, they will not compete directly with other private sector AAs in the selection process. Weaker producer groups will participate as FFs in alliance with an AA, and they will receive TA in organizational and institutional strengthening to help them become an AA in the future.

The mechanisms to finance subprojects will be different for AAs and FFs:

(a) **For AAs**: The procurement of investment items included in the Subproject will be undertaken by the AAs for small works, goods, and individual consulting and non-consulting services, under a threshold further defined in the POM. Above the specified threshold, and for all consulting services by firms regardless of value, all procurement for the benefit of the AAs will be undertaken by the Project Coordination Unit (PCU)8. The PCU will have a fiduciary control function of the procurement undertaken by the AAs and will provide TA and support to improve the procurement capacity of the AAs. Under this proposed mechanism, each beneficiary AA will receive funds in a specific bank account opened by the AA for its exclusive use while implementing the subproject. The counterpart funds from the AA are expected to be deposited in the same specific account as a precondition for disbursing project funds, which will be sequenced in line with physical progress in accordance with the Subproject Agreement and the related schedule in the Subproject Procurement Plan. This matching-grants for the AAs would have a maximum of $120,000 for productive investments and a maximum of $20,000 for specific technical assistance for implementation.

(b) **For FFs:** The project will implement a voucher mechanism to provide financial assistance to FFs. The investments to be supported by the sub-grants will be partially financed by vouchers issued by the PCU in the name of the benefitting FFs (in accordance with the terms of the respective business plans and the corresponding Subproject Agreement). The FFs will use these vouchers to complement their own funds in purchasing the specific approved items, as confirmed and approved by the PCU, from a local supplier selected by them from a list of suppliers approved beforehand by the PCU. The maximum allowed for each individual beneficiary FF will be $8,000 and for a total of $120,000 for all the FFs in a single Subproject Agreement. In addition, the FFs will receive free general training and extension services from FAO in collaboration with each Ministry of Agriculture and more specialized TA from other TA providers directly procured by the PCUs

Component 3: General Agricultural Services and Enabling Environment (SVG IDA: US$0.25m)

The objective of this component is to strengthen general agricultural public services directly linked to the subprojects described in Component 2 and needed to enhance the probability of success. It will also support the strengthening of the overall enabling environment needed for the sustained development of the business enterprises with potential competitive advantages, locally and internationally. The project will finance goods, works, consulting and non-consulting services, training and operating costs (travel, per diem, etc.) to help implement the key activities under the component. This component will contribute to generate climate change co-benefits in two main areas: (a) promotion and incorporation of techniques more resilient to climate variability into public extension services practices; and (b) mitigation, by conducting basic research as well as introduce new technologies that reduce GHG emissions in crop production and fisheries, as well as promoting the adoption of new systems increasing carbon sequestration (see Annex 4). A TA Agreement to be signed with FAO will include technical support for the implementation of activities under (c), as described below.

The main activities under this component are to:

(a) improve the quality and availability of key inputs required for the adoption of more productive technology (such as quality seeds, seedlings, and planting materials) for products supported under Component 2 of the Project;

(b) organize, and facilitate participation in, trade fairs and study tours;

(c) strengthen agricultural public extension service providers’ knowledge and skills to effectively (i) support the selected AAs and FFs to adopt technology for the efficient implementation of their business plans under Component 2 of the Project, and (ii) communicate and disseminate information broadly across the agricultural sector;

(d) carrying out technical studies to competition improve competitiveness, including market studies, analysis of new potential value chains, enabling environment, reforms, agro-food logistics, and food safety requirements and quality standards (including legal framework) and related technical skills; and

(e) carrying out improvements to public infrastructure that are required for the promotion of adequate internal distribution of produce, reduction of post-harvest losses, establishment of modern food safety mechanisms, as well as cold storage at key exit points for perishable agricultural exports (e.g., airports/port terminals).

Component 4: Project Management, Monitoring, and Evaluation (SVG IDA: US$0.70m)

The objective of this component is to ensure effective project implementation, monitoring of activities and final project evaluation. The project will finance goods, consulting and non-consulting services, training and incremental operational costs to the PCU and the PIU for expenditures related to the project activities, including:

(a) project coordination and management;
(b) monitoring, evaluation, and impact assessment;
(c) fiduciary administration, accounting and financial/technical audits;
(d) safeguards management; and
(e) a citizens' engagement mechanism.

Table 1: Project cost and financing by component and country (US$ millions) Project component	**IDA Credits**	**IBRD Loan**	**Beneficiaries' contribution**	**Total costs**
ST. VINCENT & THE GRENADINES				
1. Support for Preparation of Business Plans	0.40			0.40
2. Implementation of Business Plans	2.95		0.72	3.67
3. General Agricultural Services and Enabling Environment	0.25			0.25
4. Project Management, Monitoring, and Evaluation	0.70			0.70
Subtotal	**4.30**		0.72	5.02
TOTAL PROJECT COSTS	**6.50**	**1.80**	**1.36**	**9.66**

ANNEX B

HUMAN DEVELOPMENT SERVICE DELIVERY PROJECT

A. Program Background

I. Program Effectiveness and Development Objectives

The objectives of the Project are to strengthen the quality of service delivery in education, to improve efficiency of social protection systems, and to improve effectiveness of labor market systems in Saint Vincent and the Grenadines. The Project finances the following four components:

a) Component 1: Strengthening pedagogy for basic and special needs education

b) Component 2: Developing capacity of school leaders to support teachers in improving pedagogy and help build a pipeline of effective future school leaders

c) Component 3: Strengthening labour market systems and improving training of poor and vulnerable populations

Component 1: Strengthening pedagogy for basic and special needs education (USD$2.16 million).

This Component aims to strengthen the capacity of teachers to deliver, and of school leaders to support, high-quality classroom instruction, with the ultimate goal of improved learning outcomes for primary and secondary school students in SVG. Based on the new assessment framework and guidelines developed under the project supporting the regional OECS Education Sector Strategy, teachers will be trained to conduct formative assessments and use them to target instruction to students' current levels of comprehension, which is essential to effective learning. The Component will be delivered through two sub-components:

Sub-component 1.1. Strengthening teaching capacity (USD$1.81 million) by: (i) adapting the OECS teaching and learning standards developed at the regional level to the Saint Vincent and the Grenadines context;20 (ii) disseminating the adapted teaching and learning standards to all teachers through cascading training sessions and printing and distribution of teacher's manuals and guidelines on the new learning standards, using formative ssessments, and effective pedagogical practices; (iii) upgrading the skills of selected teachers through targeted training modalities; (iv) carrying out annual monitoring of teacher classroom practices through the use of classroom observation instruments; (v) carrying out a pilot remedial program to be delivered through both teachers and after-school tutors; and (vi) strengthening special education through materials, teacher training, and training for parents of children with autism and spectrum and behavioral disorders. The Sub-component will also support an impact evaluation to assess the effectiveness of the activities, and focus group discussions will be conducted with principals, teachers, parents, and students to ensure citizen engagement.

Sub-component 1.2. Developing capacity of school leaders* to support teachers in improving pedagogy and help build a pipeline of effective future school leaders *(USD$0.346 million). It will include: (i) provision of training for new principals and senior teachers, (ii) printing and distribution of handbooks on school management, (iii) the development of a performance appraisal tool for principals, and (iv) a mentoring program for new principals.

Component 2: Building Responsive Social Protection Service Delivery Systems (US$3.46 million). This Component will aim to: (i) improve SPL service delivery instruments to support a household approach to providing safety net benefits; (ii) strengthen human resource capacity for provision of SPL programs and services; and (iii) enhance institutional mechanisms and strategy for more efficient, coordinated, and transparent service delivery, and improved communication and education strategies for safety net beneficiaries. The Project will also finance poverty data collection to ensure evidence-based decision making in identification of beneficiaries and program responses to address poverty challenges. The activities will be complemented by the recently approved TA financed through the Rapid Social Response Trust Fund (RSRTF) to improve emergency safety net response to climate shocks.21 The Project will provide support to three implementing agencies under this Component.

***Sub-component 2.1. Support in Completing an Enhanced Country Poverty Assessment (eCPA)* (US$0.80 million).** The Sub-component will finance data collection, data processing, and analysis to carry out a Living Conditions Survey (LCS) and Household Budget Survey (HBS) for an eCPA to inform safety net program design and poverty reduction strategies and policies.

Sub-component 2.2: Support in Strengthening the SP System (MONM) (US$2.66 million). The Sub-component will finance the development and implementation of a targeting system; beneficiary registry linked to a new MIS; improved payment system; institutional assessment, capacity building, knowledge exchange and training to MONM staff, strengthened operational procedures, and better monitoring and evaluation (M&E), as well as improved public communication and beneficiary education.

Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations (US$3.84 million). This Component will finance labor market data collection to inform training and labor market policy; direct delivery of TVET training to poor and unemployed persons; improvements in the learning environment for TVET education in selected schools; and technical assistance and investments to strengthen the overall institutional capacity and policy framework for a sustainable TVET and labor market system. There are two implementing agenies under this Component.

Sub-component 3.1: Support in Strengthening the Certification Framework (US$3.32 million). This Sub-component will finance technical assistance, investments, and training to fill remaining gaps in service delivery, including:

3.1.1.: Expanding Access to Training for Poor and Vulnerable Youth and Adults. This Subcomponent will provide competency-based technical training, core-skill training, applied learning and simulation activities, individual career guidance, and interview coaching sessions consistent with labor market needs22 to a cohort of approximately 1,200 poor unemployed youths and adults in CVQ Level I unit programs. Training will employ incentives to encourage female participation and prioritize participation of the poor, with a share of beneficiaries to be referred from the Public Assistance register.

3.1.2.: Enhancing the system's capacity for TVET delivery. This Sub-component will address the long and short-term capacity-building needs for expanding access to TVET programs and improving the learning environment of TVET instruction and management. This includes:

(i) *Improving the learning environment and TVET delivery in selected secondary schools* through procurement and installation of tools, ICT and other equipment, furniture and other required curriculum-support materials, as well as through works, including minor retrofitting and repairs to TVET laboratories.

(ii) *Improved human resource capacity for TVET training and administration*. This activity will include training for approximately 100 master assessors, assessors and verifiers to support implementation of CVQs in SVG as well as skills upgrades for 40 TVET instructors.

Sub-component 3.2: Support in Strengthening of Labor Legislative Framework (US$0.52 million). This Sub-component will finance technical assistance to the Labour Department under the MOEP to update the Protection of Employment Act of 2003 and Labour Relations Bill of 2001, and to carry out a labor force survey and labor demand survey by the Statistical Office. The capacity of the Labour Department and relevant agencies will be strengthened through external training on the latest research and practices in labor market interventions. A tripartite approach will be used to ensure citizen feedback into the legislative update process, including employers, employees, and government.

Component 4: Project Implementation, Monitoring and Evaluation (US$1.24 million). This Component would finance activities related to the management of the Project to ensure its effective administration and implementation, and develop and put in place an effective monitoring system.

B. Project Cost and Financing

The total cost of the Project is US$10.7 million (SDR7.90 million equivalent), to be financed fully by the IDA Credit to the SVG. The overall Project costs are presented in the table below.

Table 1.2 Program Cost and Financing for the Human Development Dervice Delivery Project

Part	Component Activities	Estimated Cost USD
Component 1	Component 1: Strengthening Pedagogy for Basic and Special Needs Education	2,160,000

Component 2	Component 2: Building Responsive Social Protection Service Delivery Systems	3,460,000
Component 3	Component 3: Strengthening Labor Market Systems and Improving Skills Training of Poor and Vulnerable Populations	3,840,000
Component 4	Component 4: Project Implementation, Monitoring and Evaluation	1,240,000
Total Project Financing		10,700,000

ANNEX C

OECS REGIONAL TOURISM COMPETITIVENESS PROJECT

A. Program Background

Program Development Objectives

The objectives of the Project are to (i) facilitate the movement of tourists within the participating countries (St. Vincent and the Grenadines, Grenada and St. Lucia) using ferries, (ii) improve selected tourism sites, and (iii) strengthen implementation capacity for regional tourism market development. The Project finances the following four components:

- Component 1: Facilitation of the movement of people
- Component 2: Pilot tourism infrastructure investments
- Component 3: Market development and promotion capacity-building
- Project implementation support

Component 1: Facilitation of the movement of people (USD$1.03 million)
This Component aims to strengthen regional integration and facilitate movement of people in the region through: (a) support for developing a single regional space for immigration and customs entry of international tourists; and (b) development of a pilot ferry system through technical assistance, information technology and small infrastructure improvements. The Component will be delivered through two sub-components:

Sub-component 1.1. Development of a single regional space for immigration and customs entry of international tourists (USD$.61 million): At a country level, this subcomponent would provide (i) infrastructure investment (works) to turn domestic port terminals into international ones and (ii) goods, scanners, and other IT needs for immigration and customs clearance for the terminals.

At a regional level, this subcomponent would provide (a) Technical assistance to support the country-level implementation of decisions made at a regional level for the facilitation of the movement of people and goods, including the implementation of any revisions to the existing regional immigration system for the creation of a single economic space, and any other policy/regulatory changes aimed at the facilitation of the movement of people and goods that would require country-level implementation and (b) IT support for implementing electronic customs declarations for ferries.

Subcomponent 1.2: Development of a pilot regional ferry corridor (US$.42 million)
The purpose of this component is to establish pilot passenger ferry services between the three islands to allow for multi-island stayover tourism of international tourists and increase intraregional tourism by the OECS residents. This component would provide gap financing for operating the ferries through a negative auction scheme; IT support for software and hardware for a centralized ferry scheduling system; technical assistance to review the legal, institutional, and operational framework related to water transport; and technical assistance to support dialogue between governments and ferry operators.

Component 2: Pilot tourism infrastructure investment (USD$2.49 million)
The intervention in the selected pilot tourism sites is the reinforcement of marine-based tourism and rehabilitation of Fort Charlotte. Technical assistance interventions to be financed includes:

- Feasibility studies including technical, economic, social, and environmental assessments (EAs), financing and management method options–notably public-private partnerships (PPPs)–and guidelines for the use and management of the sites in all three participating countries, and continued Private-Public Dialogue (PPD) to secure buy-in for the developments.

- Marketing, business, and commercialization plans for each tourism site.

- Rehabilitation design plans for Fort Charlotte.

- A detailed inventory of anchorages in the country, including carrying capacity, zoning plans, upgrading needs assessments, and commercialization options; and a precursor study to set up the Maritime Training Institute and attain the Standards of Training, Certification, and Watchkeeping for Seafarers (STWC) certification.

- Precursor studies and road map to purchase a fire fighting simulator and equipment for the Maritime Training Institute to facilitate attaining STCW certification.

This component would also include the following works and technical assistance:

(a) improvement to the competitiveness of the marine-based tourism through upgrading anchorage infrastructure; investments include safety and security, waste collection and management, facilities, equipment, upgrades to walkways, and signage in pilot sites; (b) limited rehabilitation of Fort Charlotte through support for infrastructure investment and goods; and (c) technical assistance to artisans on selection and display of products.

Component 3: Market development and promotion capacity- building (USD$.93 million)
This component aims to (a) support the refinement and operationalization of tourism plans for and (b) develop a regional market development effort to position the participating countries as one travel destination. The Component will be delivered through two sub-components:

Subcomponent 3.1: Support for Tourism Development (US$.4 million)
This subcomponent would provide technical assistance and goods to support preparing and refining sustainable tourism development plans and policies and their implementation, including (a) technical assistance to build capacity to carry out market segmentation; prepare projections of financial and economic impact; and carry out environmental planning and management of the tourism sector; and (b) Goods and technical assistance to strengthen website design, outreach, and social media presence of each participating country.

Subcomponent 3.2: Preparation and implementation of a regional tourism market development program (US$.53 million)

This subcomponent would support the implementation of a regional tourism market development program, including:

(a) technical assistance to identify markets, develop a common marketing strategy, including a common digital/social e-tourism communication strategy, negotiate with airlines from a new destination, receive training, and prepare promotional content; (b) Operating support for participation in four joint trade fairs as one destination; and (c) Goods and technical assistance for an IT platform to drive the participating countries' joint marketing.

Component 4: Project Implementation Support (US$.55 million)
This country-specific component would support the overall project implementation, including:

(a) Capacity building of the Project Coordination Unit (PCU) or the Public Sector Investment Program Management Unit (PSIPMU) and implementing agencies on project management, procurement, financial management (FM), safeguards, and monitoring and evaluation (M&E); (b) Consulting services for project audit if needed; and (c) technical assistance support to carry out a robust impact evaluation, to measure the impact of the project on jobs in a gender disaggregated way.

B. Project Financing

The total cost of the St. Vincent and the Grenadine's component of the Project is US$5million (SDR 3.80 million equivalent), to be financed fully by the IDA Credit to the SVG. The overall Project costs are presented in the table below.

Table 1.2 *Program Cost and Financing for the OECS Regional Tourism Competitiveness Project*

Part	Component Activities	Estimated Cost USD
Component 1	Component 1: Facilitation of the Movement of People	1,030,000
Component 2	Component 2: Pilot Tourism Investment	2,490,000
Component 3	Component 3: Market Development and Promotion Capacity Building	930,000
Component 4	Component 4: Project Implementation Support	550,000
Total Project Financing		5,000,000

APPENDIX D

FINANCIAL SATEMENTS TEMPLATES

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

Government of SVG - IDA CR No.6060 -VC
Human Development Service Delivery Project
Sources and Uses of Funds
For the period XXXX
(Amounts in US$)

	Current Period	**Cumulative**	**Cumulative**
	Actual	**Current**	**Prior Year**
RECEIPTS			
World Bank			
Designated Account:			
IDA CR 6060-vc			
Direct Payment			
Front End Fee			
Interest Received			
Total Receipts			
Less: Payments (By Project Component)			
Component 1 - Strengthening Pedagogy for Basic and Special Needs Education			
Component 2 - Building Responsive Social Protection Service Delivery Systems			
Component 3 - Strengthening Labour Market Systems and Improving Skills Training of Poor and Vulnerable Populations			
Component 4 - Project Implimentation, Monitoring and Evaluation			
Total Expenditures			**-**
NET RECEIPTS			
Foreign Exchange Difference			

Opening Balances USD Account			
Opening Balances XCD Account			
Total Opening Balance			
Closing Balances in USD account			
Closing balance in XCD Account			
Total Closing Balance			

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 ______________		
		US$ (total)
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	*PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (1 - 2)*	
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	*TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)*	
10	**DIFFERENCE (3 - 9)**	

11 EXPLANATION OF ANY DIFFERENCE SHOWN IN LINE 10

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