
GRANT NUMBER D652-6R

Financing Agreement

(Caribbean Digital Transformation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ORGANISATION OF EASTERN CARIBBEAN STATES

GRANT NUMBER D652-6R

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”), and ORGANISATION OF EASTERN CARIBBEAN STATES (“Recipient”). The Association and the Recipient hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to five million nine hundred thousand Special Drawing Rights (SDR 5,900,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Grant Balance.
- 2.04. The Payment Dates are January 15 and July 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 1; 3.1(a) and (b); and 4 of the Project (its

“Respective Parts of the Project”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Project Operational Manual has been prepared and adopted by the Recipient in respect of its Respective Parts of the Project, all in a manner acceptable to the Association.
 - (b) The Implementation Agreements between the Recipient and each of ECCB, ECTEL, and CARICOM IMPACS, in form and substance satisfactory to the Association, have been duly executed and are in full force and effect.
- 4.02. The Recipient shall provide evidence, satisfactory to the Association, that the respective Implementation Agreements have been duly authorized or ratified by the Recipient and each of ECCB, ECTEL, and CARICOM IMPACS, and each said Implementation Agreement is legally binding upon the Recipient and ECCB, ECTEL, and CARICOM IMPACS, in accordance with their respective terms.
- 4.03. The Effectiveness Deadline is the date sixty (60) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative is its Director General.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient’s address is:

Organisation of Eastern Caribbean States
Morne Fortune
Castries, Saint Lucia; and
 - (b) the Recipient’s Electronic Address is:

Facsimile: Email:

1-758-453-1628 oecs@oecs.int

5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Tahseen Sayed

Authorized Representative

Tahseen Sayed

Name: _____

Title: Country Director _____

Date: 27-Jul-2020 _____

ORGANISATION OF EASTERN CARIBBEAN STATES

By

Didacus Jules

Authorized Representative

Didacus Jules

Name: _____

Title: Director General OECS _____

Date: 29-Jul-2020 _____

SCHEDULE 1

Project Description

The objective of the Project is to increase access to digital services, technologies and skills by governments, businesses, and individuals in the Participating Eastern Caribbean Countries.

The Project consists of the following parts:

Part 1: Digital Enabling Environment

Support the development of a positive enabling environment for the Caribbean region's digital economy that drives competition, investment and innovation while promoting trust and security of online transactions, through:

- 1.1. Telecommunications: Legal and Regulatory Environment, Institutions and Capacity Support:** Support greater telecommunications sector competition, affordability and service quality across the Caribbean region as well as enhancing resilience and emergency response capabilities for critical communications infrastructure through modernization of the legal, regulatory and institutional frameworks governing the telecoms sector and the capacity to implement them at regional and national level, including:
 - (a) carrying out a review of the legal and regulatory frameworks covering telecommunications and provision of support for drafting proposals for new or amending legislation and regulations as necessary at regional and national levels, paired with a review of telecom sector governance and institutional structures, procedures, and authority at regional and national levels;
 - (b) establishment of a quality of service monitoring and enforcement methodology and capacity; and
 - (c) development of action plans to improve network resilience and post disaster recovery and emergency communications, and implementation of communications infrastructure disaster response and recovery drills in partnership with the private sector.

- 1.2. Digital Financial Services: Legal and Regulatory Environment, Institutions and Capacity Support:** Support innovation, investment and adoption of digital financial services across the Caribbean region through:
 - (a) (i) proposing updates to the Payment System Act and Money Services Business Act and corresponding regulations and (ii) designing an oversight framework for digital financial services, with corresponding support for adoption and

implementation of the harmonized regional legislation and regulations at the national level;

(b) undertaking demand-side surveys on financial access and usage to inform policy making and monitor progress toward financial inclusion goals;

(c) development of an overarching payment system strategy for the Caribbean region; and

(d) technical design of a Caribbean regional instant payment system open to banks, non-banks and ECCU governments to reduce the costs and time required for payment transfers.

1.3. Cybersecurity, Data Protection and Privacy; Legal and Regulatory Environment, Institutions and Capacity: Build trust in online transactions and strengthen the security and resilience of digital infrastructure and systems through:

(a) reviewing and updating of national and regional cybersecurity policies, proposals for legislation, regulation, and institutional and coordination structures;

(b) establishing a computer emergency response team or a cybersecurity agency at the national level in line with a regionally agreed model and providing support for regional threat intelligence sharing, incident escalation and support protocols;

(c) regionally coordinated capacity building and networking for civil servant cyber professionals and cyber awareness campaigns for civil servants and general public; and

(d) reviewing and proposing updates for regional and national data protection and privacy laws and data access and exchange policies.

Part 2: Digital Government Infrastructure, Platforms and Services

Support public sector modernization, resilience and delivery of digital public services to individuals and businesses through:

2.1 Development of Cross-Cutting Enablers of Digital Government Operations and Services. Support the development of key enablers of digital government services and operations, in line with regionally harmonized standards and frameworks, through:

(a) developing and implementing a digital transformation strategy or information and communications technology policy, enterprise architecture and interoperability framework, and continuity of operations plan;

- (b) reviewing and updating of proposed legislation, regulations or policies covering e-transactions, digital signature, identification, as required;
- (c) establishing or reinforcing digital government infrastructure, equipment and software, including extension of last mile access to high-speed broadband networks to support remote work, expansion of local area networks/wifi for government offices and service centers, datacenters or data hosting services, government cloud, digital devices and enterprise communications and productivity software;
- (d) developing a digital identification system or user authentication platform with privacy by design features, based on an agreed regional framework for assignment of unique identification number;
- (e) establishing electronic document management, authentication, and digital signature capabilities;
- (f) developing a digital payment platform to send and receive payments for, *inter alia*, public services, taxes, payroll, vendors, social protection schemes; and
- (g) supporting capacity building of the centralized information technology workforce and change management across the public service.

2.2. Government Productivity Platforms and Citizen-Centric Digital Services. Support the development of priority government productivity platforms and citizen-centric digital public services through:

- (a) digitization and integration of key registries and information systems and establishment of a data exchange platform (enterprise service bus);
- (b) business process re-engineering and end-to-end digitization of common government to citizen transactions and public services such as issuance of birth, death and marriage certificates, drivers' license and motor vehicle registration, passport applications, and tax filings;
- (c) establishing of an online web and mobile portal for accessing public services and information;
- (d) developing a geographic information system and electronic single-window for land and property information and transactions;
- (e) establishing an electronic single-window for customs clearance and administration;
- (f) developing an electronic tax administration system;

- (g) digitizing and increasing automation of tourism and immigration administration for ports of entry;
- (h) digitizing health information and administration, including connectivity for health centers and support for other COVID-19 health related response needs; and
- (i) digitizing social cash transfers and recurrent government payment streams.

Part 3: Digital Skills and Technology Adoption

Better equip individuals and businesses across the region for the jobs and economy of the future and to spur innovation and productivity growth through:

- 3.1. Workforce-Ready Digital Skills.** Support training to employment opportunities in digitally-enabled professions through:
 - (a) carrying out a survey and assessment to identify the technical and soft skills in greatest demand in the regional and global market among digitally enabled industries and conducive to remote working arrangements;
 - (b) designing and implementing a regional level advanced digital skills development and job coaching program, including the provision of Digital Skills Stipends; and
 - (c) designing and implementing national level digital skills development and job coaching programs.
- 3.2. Technology Adoption.** Increase adoption of digital technologies, platforms and digitally enabled business models by small and medium enterprises and access to digital devices for students, teachers and vulnerable groups through:
 - (a) designing and implementing a program to accelerate the adoption of digital technologies within priority sectors (including tourism, agriculture, and other sectors determined pursuant to criteria set out in the Project Operational Manual) by providing managerial training, business advisory services and Matching Grants;
 - (b) facilitating acceptance of electronic payments by merchants and promoting cash reduction in the economy;
 - (c) designing and implementing an internship or apprenticeship program to facilitate job placements, including the provision of Internship Stipends, pursuant to criteria set out in the Project Operational Manual;
 - (d) supporting innovation programs and co-working spaces; and

(e) acquiring digital devices and associated digital content and providing training to support access among vulnerable groups and remote learning by students.

Part 4: Project Implementation Support

Provision of support to the RPIU to assist the Recipient in the management and implementation of the Recipient's Respective Parts of the Project and associated Project activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall implement its Respective Parts of the Project through its OECS Commission, which shall be responsible for the achievement of the Project objectives for the Recipient's Respective Parts of the Project, and for providing oversight, monitoring and evaluation and overall management thereof and guidance to the RPIU and any agencies of the Recipient supporting the implementation of activities thereunder.
2. The Recipient shall vest the responsibilities of the day to day coordination of the implementation of its Respective Parts of the Project, to the RPIU.
3. The Recipient shall maintain the RPIU under its OECS Commission at all times during implementation of its Respective Parts of the Project in a manner, with resources and terms of reference satisfactory to the Association, including: a Project manager; a financial management specialist; a procurement specialist; and, no later than 60 days after the Effective Date, an environmental and social specialist.
4. No later than 60 days after the Effective Date, the Recipient shall establish and thereafter maintain in form and manner satisfactory to the Association the Regional Project Oversight Committee, for the Recipient's Respective Parts of the Project with resources and terms of reference satisfactory to the Association, including, representatives of OECS, ECCB, ECTEL, CARICOM IMPACS and, as soon as the Participating Eastern Caribbean Countries make the respective appointments, the MPW-Dom, the MNS-Gre, the MoF-SL, and the MoF-SVG, and which shall be responsible for coordination between the different regional institutions and governments, addressing strategic issues impacting Project implementation, overall oversight of Project implementation progress, including review of annual implementation plans and progress reports.
5. The Recipient shall ensure adequate coordination between the RPIU, the Regional Project Oversight Committee and the Participating Eastern Caribbean Countries PIUs and the Participating Eastern Caribbean Countries PSCs in accordance with procedures set forth in the Project Operational Manual.

B. Environmental and Social Standards.

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

C. Project Operational Manual

1. The Recipient shall carry out its Respective Parts of the Project in accordance with the provisions of a manual, acceptable to the Association (the “Operational Manual”), which shall include, in respect of the Recipient’s Respective Parts of the Project, *inter alia*: (i) the procurement, financial management and disbursement requirements and procedures (including standard bidding documents) for the Project; (ii) the indicators to be used for monitoring and evaluating the Project; (iii) the functions, responsibilities, structure and key staff composition of the RPIU; (iv) the policies and procedures for the coordination of the implementation, monitoring and evaluation of the Project; (v) the program details and eligibility criteria for the Digital Skills Stipends, and (vi) the selection criteria for the activities, sectors and areas in which Project activities will be implemented.
2. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce the Operational Manual, or any provision thereof. In case of any conflict between the terms of this Agreement and those of the Operational Manual, the terms of this Agreement shall prevail.

D. Implementation Agreements

1. To facilitate the carrying out of the Project, the Recipient shall coordinate closely the implementation of: (a) Part 1.1 of the Project with ECTEL, (b) Part 1.2 of the Project with ECCB, and (c) Part 1.3 of the Project with CARICOM IMPACS. To this end, the Recipient shall enter into separate agreements with each of ECTEL, ECCB and CARICOM IMPACS (“Implementation Agreements”), under terms and conditions approved by the Association, which shall include, *inter alia*, the

provision of specialized technical support to the Recipient by each of ECTEL, ECCB and CARICOM IMPACS on a cost recovery, non-profit, basis.

2. The Recipient shall exercise its rights and carry out its obligations under each Implementation Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive or fail to enforce any Implementation Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Grant

A. General

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Digital Skills Stipends, Training and Operating Costs for Parts 1, 3.1 (a) and (b), and 4 of the Project	5,900,000	100%
TOTAL AMOUNT	5,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, **except that withdrawals up to an**

aggregate amount not to exceed SDR 1,180,000 may be made for payments made up to the date one year prior to this date, for Eligible Expenditures.

2. The Closing Date is June 22, 2026.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “CARICOM IMPACS” means Caribbean Community Implementation Agency for Crime and Security designed to administer a collective response to the crime and security priorities of the CARICOM member states, established pursuant to the Inter-Governmental Agreement of 2006 entered into at the Twenty Seventh Meeting of the Conference of Heads of Government in July 2006 in St. Kitts and Nevis.
3. “Category” means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.
4. “Digital Skills Stipends” means a grant made out of the proceeds of the Grant to finance the program activities under Part 3.1 (b) of the Project.
5. “ECCB” means the Eastern Caribbean Central Bank, established pursuant to the Eastern Caribbean Central Bank Agreement of 1983, as amended through the date hereof.
6. “ECTEL” means Eastern Caribbean Telecommunications Authority, established under the Treaty Establishing the Eastern Caribbean Communications Authority dated May 4, 2000, as amended through the date hereof.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 8, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
8. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv)

“Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017, with the modifications set forth in Section II of this Appendix.
10. “Implementation Agreement” means each agreement referred to in Section I.D of Schedule 2 to this Agreement, and the term, “Implementation Agreements” means collectively, all such agreements.
11. “MNS-Gre” means the ministry with responsibility for national security, public administration, home affairs, and ICT of Grenada, or any successor thereto acceptable to the Association.
12. “MoF-SL” means the ministry with responsibility for finance, economic growth, job creation, external affairs and the public service of St. Lucia, or any successor thereto acceptable to the Association.
13. “MoF-SVG” means the ministry with responsibility for finance economic planning, sustainable development and information technology of St. Vincent and the Grenadines, or any successor thereto acceptable to the Association.
14. “MPW-Dom” means the ministry with responsibility for of public works and digital economy of the Commonwealth of Dominica, or any successor thereto acceptable to the Association.
15. “OECS” means the Organisation of the Eastern Caribbean States established under the Treaty of Basseterre dated 1981, and operating also under the Revised Treaty of Basseterre dated 2010.
16. “OECS Commission” means the executive body of the OECS.
17. “Operating Costs” means the reasonable incremental expenses incurred in connection with implementation of the Recipient’s Respective Parts of the Project, including consumable materials and supplies, utilities, fuel and oil, communications, administrative fees, mass media and printing services, vehicle

rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Respective Part of the Project, travel, lodging and *per diems*, but excluding salaries of officials of the Recipient.

18. “Participating Eastern Caribbean Country Agreement” means each of the financing agreements for the Project between a Participating Eastern Caribbean Country and the Association.
19. “Participating Eastern Caribbean Countries” means the Commonwealth of Dominica, Grenada, Saint Lucia and Saint Vincent and the Grenadines, and “Participating Eastern Caribbean Country” means any one of the Participating Eastern Caribbean Countries.
20. “Participating Eastern Caribbean Country PIU” means the Project implementation unit charged by a Participating Eastern Caribbean Country with carrying out the implementation of the Parts of the Project specified in the respective Participating Country Agreement.
21. “Participating Eastern Caribbean Country PSC” means the Project steering committee charged by a Participating Eastern Caribbean Country with coordinating the implementation of the Parts of the Project specified in the respective Participating Country Agreement.
22. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017, and August 2018.
23. “Regional Project Implementation Unit” or “RPIU” means the Recipient’s unit in charge of carrying out the implementation of the Recipient’s Respective Parts of the Project, referred to in Section I.A.2. of Schedule 2 to this Agreement.
24. “Regional Project Oversight Committee” means the committee referred to in Section I.A.4 of Schedule 2 to this Agreement.
25. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applied to all references to “the date of the Financing Agreement” in the General Conditions.
26. “Training” means the training of persons under the Recipient’s Respective Parts of the Project, including through seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.