



**Ministério  
das Finanças**  
Unidade de Gestão  
de Projectos Especiais

## **UNIDADE DE GESTÃO DE PROJETOS ESPECIAIS**

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### **CABO VERDE TECHOMOGY PARK – PHASE II**

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### **TERMS DE REFERENCE (ToR)**

### **FOR RECRUITMENT OF INDIVIDUALCONSULTANT FOR THE ANNUAL ENVIRONMENTAL AND SOCIAL PERFORMANCE AUDIT OF THE CAPE VERDE TECHNOLOGY PARK PROJECT PHASE 1**

**Period to be covered by the AUDIT - January to December 2022**

## Acronyms and abbreviations

AfDB	-	African Development Bank Group
BC	-	Business Center
BPII	-	Good Manufacturing Practices International
CEP	-	Project Implementation Cell
DC	-	data center
DFI	-	development Finance Institution
EIES	-	Environmental and Social Impact Assessment
ESS	-	Environment, Health and Safety
IC	-	Incubation Center (IC)
IFD	-	International and national development finance institutions
NOSI	-	Núcleo Operacional para a Sociedade de Informação
ORQR	-	Former Results and Quality Control Department, ADB
PAC	-	Corrective Action Plan
PAR	-	Resettlement Action Plan
PGES	-	Environmental and Social Management Plan
PTCV	-	Cape Verde Technology Park Project
SNSC	-	Safeguard and Compliance Department, AFDB
ISS	-	Integrated Safeguards System
TDR	-	Terms of Reference
TIC	-	Information and Communication Technologies
TQC	-	Training and Qualification Center
UGPE	-	Unidade de Gestão de Projetos Especiais
WB	-	World Bank

## 1. Project background and justification

The Cape Verde Technology Park Project Phase 1 is the primary investment of the Cape Verdean government included in the strategy for the ICT sector - Strategic Program for the Information Society (PESI). The African Development Bank (AfDB), through its regional office in Senegal, seeks to contribute to the achievement of these objectives by financing a loan necessary for this operation. The project became effective in June 2015 and has been operational since then. It is a project budgeted at €36,000,000, of which €31,590,000 constitutes the AfDB loan.

The executing and coordinating agency for the project is the Núcleo Operacional para a Sociedade de Informação (NOSI), and the fiduciary management functions of the project have been carried out by the Unidade de Gestão de Projetos Especiais (UGPE) within the Ministry of Finance.

The objective of the project is to contribute to inclusive growth and economic diversification in the country by supporting the ICT industry, stimulating the ICT economic cluster, training youth, creating new jobs in the ICT sector, and positioning Cape Verde as an international service centre and a gateway to Africa.

The project is being developed in two cities located on the island of Santiago and the island of São Vicente, both in Cape Verde. The majority of the activities are being developed in the capital of Cape Verde - Praia (Santiago Island), with a footprint of 8 hectares in the urban development area. The location of the technology park is situated halfway between the city center and the Praia International Airport - Nelson Mandela, at a distance of only 3 km from each. The project activities in the city of Mindelo cover an area of approximately 9,500 m².

Phase 1 of the project is structured around four main components:

Project Components	Activities
<u>Component 1</u> mainly comprises activities of civil construction and supply of goods and consultancy services, including:	<ol style="list-style-type: none"><li>1) Construction Data Center (DC) in Praia city (extension of the existing one)</li><li>2) Construction Data Center (DC) in Mindelo city and Disaster Recovery</li><li>3) Equipping both DC providing the necessary IT (racks, servers, etc.), network equipment (routers, switches, etc.) and energy securization equipment.</li></ol>
<u>Component 2</u> mainly comprises activities of civil construction and supply of goods, including:	<ol style="list-style-type: none"><li>1) Construction and equipping of Business Center (BC) located in Praia City which will provide small spaces for offices and properties so that companies can construct their own dedicated offices, together with an auditorium,</li><li>2) Construction and equipping of Civic Center (conference center, a foyer and restaurant);</li></ol>

	<p>3) Construction and equipping of Incubation Centre (IC) located in Praia City, which will provide open space already equipped for pre-incubation, incubation and start-ups companies;</p> <p>4) Construction and equipping of Training and Qualification Centre (TQC) located in Praia City, which will include training facilities and fully outfitted labs;</p>
<u>Component 3</u> comprises the support to Institutional Strengthening and Capacity building	1) Strengthening and Capacity building/training by providing the necessary resources to strengthen the operational and technical capacity of the project management team
<u>Component 3</u> comprises the support to the project management	1) Comprises the support to Institutional Strengthening and Capacity building/training by providing the necessary resources to strengthen the operational and technical capacity of the project management team

Substantial progress has been made in all components of the project, and Phase 1 of the project was completed at the end of 2022. However, the full operational capacity of the entire designed structure will depend on a second phase of intervention focused on equipping the facilities, training, and the effective start-up of the park's operations. In this regard, the government of Cape Verde negotiated with the African Development Bank (AfDB) the financing of the second phase of the project in the amount of €10,000,000 to be executed between 2023 and 2025. This phase is currently being implemented and comprises three (3) components, namely: (i) Component 1 - Operationalization of climate-resilient technology park infrastructure; (ii) Component 2 - Business development and capacity building; and (iii) Component 3 - Project management and institutional strengthening. The project has been classified by the Quality Assurance and Results Department, currently SNSC of the Bank, as a Category II project, given that the project will not have significant negative environmental and social impacts that can be easily mitigated. An environmental and social management plan has been prepared for the first phase of the project. An environmental and social audit of the project was conducted at the beginning of 2022 and focused on the project's performance up to the year 2021.

## 2. Objectives of the Consultation

The purpose of contracting this consulting service is to carry out the annual environmental and social performance audit of Phase 1 of the Technology Park Project for the period covering the year 2022. This document constitutes the Terms of Reference (ToR). These ToR aim to outline the content of the services requested from qualified consultants for the execution of the aforementioned studies. These ToR define the content and framework for the preparation of the annual environmental and social compliance audit.

### **3. Development of the Annual Environmental and Social Performance Audit**

The objective of the environmental and social performance audit is to assess the level of compliance of the Phase 1 works with applicable E&S requirements and the provisions of the financing agreement, and to improve environmental and social performance by identifying gaps in measures, standards, and best practices, with a view to proposing appropriate corrective measures and actions. The audit will specifically focus on evaluating the degree of compliance with the provisions of the financing agreement, national environmental and social management requirements and procedures, and the requirements of the Bank's Integrated Safeguards System (ISS) environmental and social policies.

This environmental and social compliance audit mission will allow for:

- Verifying the environmental and social compliance of the works and activities carried out and ongoing with contractual provisions, current national regulations, particularly regarding environmental and social management, hygiene and safety, best practices, etc., and the E&S safeguards requirements of the AfDB's ISS;
- Identifying and assessing significant environmental and social aspects related to the execution of works and the operation of facilities;
- Proposing corrective measures in case of deviations from contractual and regulatory provisions, taking into account the issues related to the actual impacts of the facilities on the environment.

#### **3.1. Requirements / Audit Criteria**

The key criteria, though not exhaustive, to be considered during the audit are:

- The E&S requirements of loan agreements;
- The applicable national E&S legislation, regulations, standards, and procedures;
- The Bank's policy requirements;
- The approved and published environmental and social documents of the project;
- The memoranda from support/supervision missions of donors and national structures;
- International best industrial practices (IBIP) relevant to the project sector, if applicable.

#### **2.1. Scope of the Audit and Tasks to be Executed by the Consultant**

The environmental and social compliance audit will cover all works and activities carried out and ongoing. To achieve the intended objectives, the consultant will perform the following tasks :

- a. Presentation of the methodology adopted for carrying out the environmental and social audit (investigation methods and tools, identification of the works and activities to be audited, identification of sources of information, methods for analyzing the data collected, establishment of an implementation schedule, outline of the report writing plan).
- b. Review the requirements of the Bank's environmental and social policies, including climate change and gender applicable to the project, and verify the project's level of compliance with these requirements.

- c. Review applicable national legislation, regulations, standards, norms and procedures, including national legal authorization, permits and certificates required prior to actions, and review the level of regulatory compliance of activities.
- d. Review available project reports, including the project appraisal report, loan/donation agreements, periodic project implementation reports, all relevant documentation and records available and required to assess the project's E&S performance.
- e. Organize a kick-off meeting with the UGPE, the contractors and the control mission, etc.
- f. Determine and agree, with the project executing entity, the scope, methodology and set of specific criteria for the compliance audit.
- g. Assess the actual capacity to manage and monitor the implementation of agreed mitigation measures and related E&S documents applicable to the project.
- h. The site audit includes a description of the work and its location (geographical location, situation in relation to the immediate vicinity, human settlements, infrastructures, protected or sensitive areas, etc.) and its administrative and regulatory compliance;
- i. A description of the waste generated and how it will be managed, the transportation of inputs and products, the personnel mobilization plan, and the organizational and technical capacities planned to handle health and safety aspects during the work;
- j. An assessment and analysis of (i) safety, technological and occupational risks, (ii) their potential effects on site personnel, neighboring populations and material assets, (iii) the prevention and protection measures put in place, and (iv) the risk and nuisance management strategy and plan;
- k. An assessment of the operation and limitations of the complaints management mechanism;
- l. A documented assessment of the Company's HSSE organization, supervision and monitoring system;
- m. An analysis of how climate change has been taken into account in project design and implementation
- n. Hold consultations with relevant regulators and stakeholders (including, but not limited to, the Project Implementation Cell (PIC), local beneficiaries, people affected by the project, civil society, ministries and contractors), on the status of the project with regard to identified E&S risks and impacts, as well as mitigation measures and legal approvals planned and implemented.
- o. Carry out inspections of the project site to assess the E&S activities implemented, including contractor management and related environmental and social risks and impacts.
- p. Make a comprehensive inventory of the environmental and social management activities carried out by the Project and assess the level of achievement of results and compare actual achievements with the objectives set by the environmental assessment documents, policies and safeguards required and determine the causes of deviations (positive or negative) in order to assess the Project's performance against its initial objectives.
- q. Prepare a comprehensive report, taking into account the outline suggested by the Bank. The report should present a convincing analysis of findings and causes against the predetermined audit scope and criteria. It should present a logical analysis (qualitative and quantitative) of the effectiveness of mitigation measures, residual risks, environmental, health and safety (EHS) issues, etc. The report will also include a plan for follow-up action. The report will also include a corrective action plan (CAP) summarizing concrete recommendations for follow-up of findings and corrective actions, including clearly estimated costs, specific roles and responsibilities.
- r. Evaluate the overall performance of the borrower and the project coordination unit.
- s. Evaluate the Bank's performance in terms of the effectiveness and quality of the assistance it has provided to the borrower, whenever necessary.



- t. Organize a closing meeting with the UGPE and the heads of the audited companies. The purpose of this meeting is to present the audit findings to ensure that they are clearly understood and acknowledged by the audited entity. Any outstanding differences of opinion between the audit team and the auditee should be discussed and recorded.

## **2.2. Corrective Action Plan**

The auditor will draw up a detailed administrative and regulatory correction action plan, with details of the results to be achieved, performance indicators with annual targets, sources of verification, deadlines, implementation costs, and specific roles and responsibilities.

The plan will cover measures to manage negative deviations from relevant environmental and social aspects, including safety, technological and occupational risks. It will take into account recommended corrective and improvement measures, and identify the stakeholders involved in implementing the Plan.

The Consultant shall present operational, feasible and cost-effective measures to limit impacts to the various phases of work execution and implementation, or to reduce negative environmental and social impacts to an acceptable level. It must also contain realistic, measurable indicators enabling the effective implementation of corrective measures to be verified and monitored.

The CAP must highlight the deviations (conformities/non-conformities) for each batch separately.

## **3. Deliverables**

The main deliverables of this exercise will be :

- Audit methodology orientation report
- Draft Audit Report
- Presentation of the Draft Audit Report to interested parties
- Any exogenous factors that may have had an influence on the environmental and social management of UGPE's operations.
- The meeting memorandum for the presentation of the provisional Audit Report to the interested parties;
- The Final Audit Report, including comments from the Bank and project partners.

## **4. Audit deadline**

The duration of the assignment is 60 days, including the time required to review and approve the methodological orientation, provisional and final reports.

## **5. Transmission of deliverables and payment plan :**

The duration of the assignment is 60 days, including the time required to review and approve the methodological orientation, provisional and final reports.

Deliverables	Payment
T0+5 days : Audit Methodology Guidance Reports	20%
T0+30 days : First Draft of the Audit Report	30%
T0+45 days : Review of the draft Audit report and integration of comments from various parties and drafting of a stakeholders meeting memorandum;	20%
T0+60 days : Final report including comments from the Bank and project stakeholders	30%

## 6. Working methodology and resources available

As part of the consulting service, UGPE will provide the auditor with all the documents required for the audit, and will help the auditor to contact any service providers or other entities involved in the audit. The auditor will analyze and interpret the data provided, which must be treated as confidential.

These documents includes :

- Project Preparation Documents (PAR)
- Environmental and Social Management Plan;
- The project's environmental and social reports throughout its implementation;
- Contractors' environmental and social reports;
- List of project workers

## 7. Individual consultant 's qualifications

The selected consultant must meet the following minimum requirements:

- At least a Bachelor+5 degree in disciplines related to environmental and social management.
- A minimum of eight (8) years of relevant professional experience in environmental and social auditing. Experience in the major fields of environmental and social assessment and environmental management and monitoring is an asset.
- Must have carried out or participated in at least two (02) assignments in the field of environmental and social assessments of projects (ESIA, ESMP, RAP, etc.) financed by development finance institutions (AfDB, WB, etc.) during the last five (5) years;
- Experience in preparing and/or managing the implementation of ESIAs, ESMPs, RAPs for projects financed by the AfDB or other DFIs.
- Have participated in at least two (02) environmental and social audit missions for projects financed by the AfDB or other DFIs during the last five (5) years, including at least one (01) for similar projects.
- Thorough knowledge of AfDB ISS or DFIs' environmental and social safeguard policies, as well as of the country's relevant laws and regulations.

Experience in the project in Cape Verde would be an added advantage.



## **Annex 1**

### **Relevant content of the E&S Compliance Audit Report**

#### **i. Client's name**

Signatures of audit team members and auditee's representative

#### **ii. Audit team**

#### **iii. Summary**

A concise summary of all significant environmental and social areas of non-compliance, areas of concern and a brief summary of conclusions and recommendations.

#### **iv. Content**

The contents of the report should include the following sections:

##### **1. Introduction**

##### **2. Project description**

##### **3. Audit objective, scope and criteria**

Audit objective, scope and criteria.

##### **4. Definition of audit repository**

##### **5. Audit process and methodologies**

Audit plan: date of audit and brief description of process, e.g. pre-audit activities, on-site audit activities, including site inspection, interviews and document review, and post-audit activities. Exceptions and deviations from the audit plan.

##### **6. Description of sites and level of progress.**

##### **7. Stakeholder consultation**

##### **8. Audit findings**

List of findings. This chapter contains the audit findings, subdivided into :

- Compliance
- Non-compliance
- Issues of concern

The above sections (Compliance, Non-Compliance, Issues of Concern) can be subdivided into headings according to the type of issues (environmental and social) or the type of criteria applied. This section should be presented according to the allotment of work.

##### **9. Corrective Action Plan (CAP)**

A complete batch compliance matrix. This matrix includes the activity, the repositories used, the findings, the corrective measures, the indicators, the compliance schedule and the budget.

## **10. Conclusions**

Contains conclusions based on the aggregate level, criticality or significance of individual findings in relation to audit objectives, scope or criteria.

## **11. Recommendations**

Contains (a set of) recommendations complementary to the Corrective Action Plan.

## **12. Appendices**

- a) Project organization chart
- b) Area, location map
- c) Criteria (detailed list of criteria)
- d) Document register
- e) Interview register
- f) Record of observations
- g) Any other key documents, e.g. photos, notes, etc., that support conclusions
- h) References (articles, standards, etc.)
- i) List of people interviewed
- j) Audit terms of reference
- k) Matrix for taking into account comments on the draft report

## **13. Corrective Action Plan (PAC)**

A complete compliance matrix by lot. This matrix includes the activity, the repositories used, the findings, the corrective measures, the indicators, the compliance schedule and the budget.

## **14. Conclusions**

Contains conclusions based on the aggregate level, criticality or significance of individual findings in relation to the audit objectives, scope or criteria.

## **15. Recommendations**

Contains (a set of) complementary recommendations to the Correction Action Plan.

## **16. Annexes**

- a. Project organization chart
- b. Area, location map
- c. Criteria (detailed list of criteria)
- d. Documents register
- e. Interviews register
- f. Record of observations
- g. Any other key documents, e.g. photos, notes, etc., that support conclusions
- h. References (articles, standards, etc.)
- i. List of people met
- j. Audit terms of reference
- k. Matrix for taking into account comments on the next reports