



**DEVELOPMENT OF FINANCIAL AND ACCOUNTING AUDITS FOR THE
CABO VERDE HUMAN CAPITAL PROJECT FOR FISCAL YEAR 2025, 2026
AND 2027 AND THE RESILIENT TOURISM AND BLUE ECONOMY
DEVELOPMENT PROJECT FOR FISCAL YEARS 2026, 2027 AND 2028**

TERMS OF REFERENCE



AUDIT TERMS OF REFERENCE FOR THE HUMAN CAPITAL PROJECT

Introduction

1. The Government of Cabo Verde has under preparation, with International Development Association – IDA / World Bank (hereafter named “World Bank”) support, the Cabo Verde Human Capital Project for the amount of US\$ 29,75 million aiming at improving employability and strengthen access to basic services for youth and women in Cabo Verde. Part of the funds financed by the World Bank is intended for Development of Financial and Accounting Audits for Cabo Verde Human Capital Project in Cabo Verde.

In order to coordinate the actions that should be executed throughout the Project, the Government has established the Management Unit for Special Projects (Unidade de Gestão de Projetos Especiais - UGPE) that ensures the coordination of all the activities needed for Project execution, especially the fiduciary management of the Project. The audit services will, under the present terms of references, be entirely funded by the Human Capital Project .

The Human Capital Project consists of the following components:

Component 1 – Support education system reforms to better prepare in-school youth for future employment

This component aims to improve the quality of the current education system and ensure all in-school youth acquire skills relevant to the needs of the labor market. The proposed Project would: (i) support the curriculum reform in secondary education in subject areas which directly align with skills needed in the labor market; (ii) focus on strengthening the system for teacher professional development; and (iii) strengthen the system to monitor learning outcomes and improve education quality.

Sub-component 1.1 - Ensure all youth in secondary education acquire skills relevant to the labor market (US\$4 million)

With the financial support of the World Bank, the Ministry of Education has now successfully reformed the national school curriculum for basic education. One of the major objectives of the reform has been to modernize the curriculum so the subjects and areas covered better equip students with the skills needed for future employment. This reform is to be expanded into secondary education (Grades 9-12). The proposed Project would support the development of new learning materials for Grades 9-12 with direct links to potential employment opportunities. Key subject areas identified for project support include foreign languages, sciences and technology, entrepreneurial skills, digital skills, socio emotional skills, and specific courses like accounting and business management. Attention would also be paid to: (i) incorporate aspects related to climate change in the science curriculum; (ii) ensure all materials are gender sensitive and promote girls’ empowerment; and (iii) integrate aspects on global citizenship transversally. For example,



the learning materials used to teach STEM subjects and entrepreneurial skills will incorporate examples of women in these fields of study and successful women entrepreneurs. New course materials will also include a course in grade 9 on life sciences that will include address aspects related to reproductive health and cultural factors that contribute to teenage pregnancy. The proposed Project would provide financial support for: (i) technical assistance of experts from the University of Cabo Verde (UNICV) to develop course programs; (ii) technical assistance from *Porta Editora* to hire subject experts and develop course materials based on global best practices; and (iii) technical assistance to coordinate the development and approval of all new course materials, based full-time within the National Directorate of Education.

Sub-component 1.2 – Strengthen the system for teacher professional development (US\$1.8 million)

Poor learning outcomes are often directly linked to weak teacher training systems. To address a global learning crisis, the World Bank has recently developed two new tools/programs to improve the design of teacher training programs, particularly in lower middle-income countries. These programs, known as TEACH and COACH, include evidence-based tools which identify specific teaching practices shown to significantly improve learning outcomes. The proposed Project would strengthen implementation of the curriculum reforms by also focusing on strengthening the current system for teacher professional development and implementation of the new teacher training strategy. First, a pilot of TEACH would be carried out in a sample of schools to identify current teaching practices and where greater attention is required. Training to implement TEACH would be targeted to central and regional staff in addition to the approximately 320 Pedagogical Coordinators. Based on initial results, it is expected existing tools used to monitor teacher performance would be adapted to incorporate evidence-based good practices similar to those identified by TEACH. Then, a specific training and mentoring program to improve teaching practices, using tools that are part of the COACH program, would be developed. Both TEACH and COACH related training activities would be taken to scale to benefit the over 6,000 basic and secondary education teachers in the country across all 22 municipalities.

The Ministry of Education intends to establish multi-media training centers in schools across the country to support teacher training activities via distance learning. This is expected to reduce costs and give greater attention to training at the school level which has been shown to have the most impact on transforming what actually happens in the classroom. The proposed Project would support the purchase of equipment for the centers, technical assistance to develop the distance learning platform to manage teacher training courses and train Ministry of Education staff in its use, and technical assistance to develop both synchronous and asynchronous training activities for teachers. In addition to training focused on effective teaching pedagogies, online training materials to accompany the secondary education reform would be developed.

Sub-component 1.3 - Monitor learning outcomes and use results to improve education quality (US\$1.2 million)

This sub-component intends to strengthen the assessment system in the education sector in order to ultimately improve human capital outcomes. With the support of the proposed Project, the new unit within the Ministry of Education responsible for learning



assessments would be further strengthened. A national assessment in grades 2 and 6 was carried out in 2019 to establish a baseline for the ongoing reforms in basic education. Now that the new curriculum for Grades 1-8 has been finalized, the proposed Project would support the implementation of a follow-up national assessment in grades 2 and 6 to determine the impact the new curriculum has had on improving education quality. The proposed Project would also strengthen the current assessment system and availability of data on learning outcomes by directly supporting Cabo Verde's official participation in PASEC. The proposed Project would support Cabo Verde's participation and the package of support offered by CONFEMEN to build institutional capacity to carry out a standardized international assessment of learning outcomes in grades 2 and 6. In addition to carrying out the above national and international learning assessments, the proposed Project would support activities to effectively disseminate assessment results to all key stakeholders, with particular attention on school leaders and teachers.

Component 2 - Improve access to labor market relevant professional training for youth and women

This component aims to improve the results of the existing professional training system and ensure professional training investments lead to greater employability of youth and particularly women. Due to a lack of data, there is little data-driven decision making, an inefficient use of resources and not enough attention paid to training outcomes and employability of training graduates. Specific activities have been identified to be supported by the proposed Project with the main goal of increasing the employability of professional training graduates.

Sub-component 2.1 - Improve the employability of professional training graduates (US\$3.2 million)

This sub-component will focus on improving the efficacy of the professional training system. Several initiatives are underway with the support of other donors to improve the availability of data on job opportunities and available training.

Tracer Studies to Monitor Employability. The proposed Project intends to support the development and implementation of simple tracer studies to be conducted by all public professional training institutions to ensure greater accountability and awareness of employability of training graduates. These tracer studies would be conducted by all public professional training institutions (i.e., IEFP, EHTCV, CERMI, EMAR). The proposed Project would support technical assistance to develop the questionnaires and build capacity of staff at the more than 25 professional training institutions, the DGE, the National Labor Market Observatory, and the FPEF. Additionally, the FPEF has been supporting the development of a robust monitoring and evaluation system to track training results. The proposed Project would build on this system and support technical assistance to update this system to be able to regularly update and incorporate the results of the tracer studies carried out every six months by the various public training institutions.

Professional Training Grants with the Private Sector. The FPEF has piloted a grants program that finances training programs based on evidence of labor market needs and supports public private partnerships for the training to increase employability of training graduates. The partnership can be in terms of in-kind support, curriculum development, trainers, providing internships, etc. It is required that proposals demonstrate evidence on



how the training aligns with current needs of the labor market and employability of training graduates. Under the proposed Project, this grants program would be scaled up further. Grant amounts would remain between US\$50,000-200,000 but instead of being based on a call for proposals, they would be awarded on a rolling basis based on need and demand. The training programs to be financed would be open to any of the accelerator sectors identified under the *Ambição 2030* where there is clear evidence of potential jobs and labor market needs. The grants program would be administered based on the processes and procedures identified in FPEF's recently approved operations manual. However, prior to expanding the pilot, the operational manual would be updated to incorporate lessons learned from the pilot.

Sub-component 2.2 - Increase the supply of quality professional training courses in tourism and blue economy (US\$2 million)

The Government aims to diversify its economy and reduce asymmetries in economic growth across islands. Currently, there is a lack of training opportunities in key sectors and particularly for those living outside of the capital. Two of the key accelerator sectors identified in the Government's *Ambição 2030* Strategy are tourism and the blue economy and plans are underway to expand investments in these areas. The proposed Project has identified specific areas and human capital needs linked to the Enhancing the Sustainability, Resilience and Diversification of the Tourism Sector in Cabo Verde Project (P176981) and intends to expand training opportunities particularly on the island of São Vicente to align with these interventions. The proposed Project would support the development and delivery of at least five new high-quality, internationally certified training courses linked to the blue economy. Given the nature of jobs in the maritime industry, it is critical that all courses be developed based on international standards, so the graduates' certificates are both nationally and internationally recognized.

The Escola do Mar was recently created to respond to the need to dramatically increase opportunities for vocational and professional training and accelerate potential growth in the blue economy. The establishment of this new school is in the early stages, etc. The proposed Project intends to support the further establishment of this school and build their capacity to carry out high-quality, internationally certified courses linked to the blue economy. The potential list of courses identified include the following: (i) Maritime and Recreational Activities; (ii) Coastal and Maritime Tourism Guides; (iii) Handling and Preservation of Fish; (iv) Installation and Maintenance of Refrigeration and Air Conditioning Equipment; (v) Shipbuilding and Repair Operators; and (vi) Maintenance and Engine Repair. The proposed Project would finance (i) technical assistance for curriculum development and the training of trainers by a similar fully established ocean school for which there are existing or planned signed protocols (i.e., Azores, Lisbon); (ii) software to upgrade the existing navigation simulators and other limited equipment required to ensure quality of the courses; and (iii) operational costs to carry out the training activities either at the campus in São Vicente or also other targeted islands with large fishing communities or potential for maritime tourism. All of the courses supported by the Project would incorporate modules into the curriculum that address issues related to (i) climate change; and (ii) clean oceans and environmental sustainability. Most of the current jobs in the blue economy are held by men (81.6 percent). To ensure women are also prepared to benefit from the potential new jobs to be created, targeted efforts will be made to enroll at least 30 percent of women in the courses supported by the Project.



Component 3: Strengthen access to basic services and social and productive inclusion of poor and vulnerable

This component aims to provide critical support to youth and women in poor and vulnerable households to improve their access to basic services, social and productive inclusion and thereby strengthen their employability. It would do so by supporting activities targeted to poor and vulnerable households, particularly women. The component includes three sub-components: 3.1 – Strengthen Social Protection Delivery Systems; 3.2 – Expand the Social and Productive Inclusion Program; and 3.3 – Improve access to basic services and living conditions for poor and vulnerable households.

Sub-component 3.1 - Strengthen social protection delivery systems (US\$1 million)

This sub-component intends to strengthen social protection delivery systems to strengthen human capital outcomes, through support to the CSU and other delivery systems. It would do so by supporting several different areas identified below.

Expanding coverage of the CSU, ensuring up-to-date information and enhancing its use. To make sure that the CSU contains relevant data, support would be provided to register poor and vulnerable households that are not yet included in the CSU, including informal workers that benefited from the temporary income support for informal workers (RSO) in 2020 and households that are particularly affected by climate-related risks, such as droughts and floods. Support would also be provided to update information on households that are due for updating (every two years as per the CSU law). To strengthen the use of the CSU, the proposed Project would support: (i) the implementation of a revised PMT formula; and (ii) stronger interlinkages with other key programs contributing to improved human capital outcomes (including the FPEF and the PRRA), including clear use of the CSU data for targeting of beneficiaries, as well as ensuring feedback of information and sex-disaggregated data on households benefitting from specific interventions. Support would include technical assistance to the CSU unit both at the central and local levels to lead on these activities, as well as necessary support for upgrading of equipment for data collection, seminars and workshops with key line ministries and NGOs.

Strengthening the shock-responsiveness of the CSU. The proposed Project intends to increase the ability of the Government to rapidly expand its safety net to protect households negatively affected from shocks, such as drought and floods, by strengthening the shock-responsiveness of the CSU by expanding the coverage to households that are particularly exposed to climate-related shocks and introducing risk related data into the CSU (including climate-related maps). The proposed Project would support technical assistance for the CSU unit.

Strengthening the system and storage function of the CSU. To ensure that the CSU system is up-to-date, safe and efficient, support would be provided for: (i) system modifications needed to accommodate the revised PMT and the “*Bilhete de Identidade*” and “*Cartão Nacional de Identidade*” transition; (ii) adjustments to the consultation application, existing modules (i.e., data analysis, reporting, programs, etc.) and training to use the new modules; (iii) system changes required to ensure the interoperability with key programs and efficient flow of information; (iv) support for software updates in the short-run and software upgrades in the medium-term; and (v) storage of existing data, as well as



exploring options for future solutions for MFIDS to host the data. This would include system maintenance costs of the current system (i.e., licensing fees and data storage) and then technical assistance to make necessary system adjustments to improve cost-efficiency, sustainability, and ability of the MFIDS to manage the system. The proposed Project would also build on the existing Grievance Redress Mechanism (GRM) in collaboration with the MFIDS and municipalities, to also capture the PISP and create a direct link with the CSU MIS to give access to the CSU management team to manage GRM claims related to the CSU.

Strengthening the Management Information System (MIS) for the PISP. MFIDS has been piloting a new AF module to register data for beneficiaries for the PISP and collecting information for the PI intervention using Kobo toolbox. As the PISP expands, it will however be critical to ensure that the operational processes are digitized and that an MIS is put in place for PISP implementation, including modules for the FA and the PI interventions (i.e., automatic feedback of information into the social registry, register the participation of families in group activities, etc.). The proposed Project would include technical assistance for the development of the MIS, as well as training of program implementers on the use of this system at central level of MFIDS and for the municipal offices.

Sub-component 3.2 -Expand the Social and Productive Inclusion Program (US\$6.65 million)

This sub-component will support the strengthening and the expansion of the existing PISP. The PISP builds upon the existing RSI cash transfer program and provides additional support to families through: the AF intervention, aiming to ensure stronger social inclusion of households; and the PI intervention aiming to help households become more resilient (including to climate-related and other types of shocks) and self-sufficient, by improving their existing small businesses, assisting in the creation of new productive activities and strengthening their employability through training. Based on lessons learned, the design of the existing intervention would be modified and the implementation capacity of the MFIDS and the municipalities strengthened. The proposed Project would support a gradual geographic expansion and increase of beneficiaries of the PISP and would also provide cash transfers to targeted women to enable access to childcare services as they participate in the PI intervention. The current PISP intervention is already gender-sensitive and almost all PI beneficiaries in the initial phase are women. During the expansion, additional emphasis would be given to ensure that: (i) the AF includes aspects to address gender norms; and (ii) the AF and PI interventions include aspects that build the resilience of households vulnerable to the impacts of climate change and make them more able to adapt to climate-related shocks, such as droughts.

Family Accompaniment (AF). The PISP expansion would target youth and women, classified as belonging to the poorest quintile, considered particularly vulnerable to climate change. It would also be geographically targeted, starting the expansion in the nine municipalities where the PISP intervention is currently being implemented and then gradually expanding further to all 22 municipalities across the country. All PISP beneficiaries would receive AF support, either at an individual or group level. To enhance efficiency and be able to reach more households, follow-up with households would not only be done on an individual basis (as is currently the case), but also through group sessions. At the *individual household level*, approximately 2,000 households considered to



be particularly vulnerable and in need of more intense support would receive direct support for preparing and executing individualized Family Support Plans. These plans would identify key constraints and challenges and concrete proposals for how to address them, including referrals to existing interventions. Municipal social technicians would then undertake monthly visits to these households to ensure regular support for implementation of the Family Support Plans. The *group sessions* (benefiting all PISP households) would consist of: (i) information sharing and referrals for existing relevant programs and services; and (ii) training around the nine areas identified in the AF manual (and included in the individualized Family Support Plans). The municipal social technicians would prepare annual plans identifying topics to be discussed in the group sessions in coordination with the municipal offices and the DGIS. Investments through the proposed Project for the AF intervention would include operational support related to the organization of the group sessions, technical assistance - through hiring of project staff at the national level to manage the AF, but also through engagement of additional technical officers at the municipal level.

Productive Inclusion (PI) Intervention. Support would be provided to gradually expand the PI intervention to approximately 5,000 households across all 22 municipalities. This intervention would continue to be coordinated by the MFIDS and implemented in collaboration with key implementing partners (mainly NGOs). This intervention aims to address some of the key constraints identified to hamper economic participation and opportunity for women in Cabo Verde, including: (i) lack of childcare; (ii) lack of access to financing; and (iii) lack of knowledge on income-generating activities, networking structures, and how to access markets. Priority sectors for the PI activities would continue to be childcare services, agriculture, livestock, fisheries and tourism. However, as part of the expansion, additional potentially profitable sectors and ones with limited participation of women would also be included. Particular attention would also include aspects related to building the resilience of these households who are vulnerable to the impacts of climate change through specific training to increase their understanding and importance of how to better adapt to climate change and diversify their livelihoods. Since the majority of the RSI beneficiary households are female headed (around 84 percent), the PISP expansion would particularly benefit women from the poorest quintile.

The PI intervention would be implemented through two modalities: (i) Support for Income Generating Activities (IGA) for approximately 90 percent of beneficiaries including specific training related to entrepreneurship, small business management and financial literacy and a start-up cash transfer grant of US\$ 400; and (ii) Vocational/Professional Training for approximately 10 percent of beneficiaries. Both modalities would be coupled with coaching for all PI beneficiaries for a period of at least six months. This would entail support to households to increase their confidence, strengthen their financial and digital literacy, strengthen their soft skills, and other specific training to support their economic inclusion and self-sufficiency. Support under the proposed Project would include: (i) technical assistance – through hiring of staff at the national level to manage the PI intervention, but also through engagement of additional technical officers at the municipal level; (ii) IT equipment; (iii) operational costs. Costs related to training, both at the national and municipality level would also be supported. NGOs would also be contracted to deliver the IGA activities and to undertake the coaching activities.

Cash Transfers for access to childcare. To reduce the barriers for women to participate in the PI intervention, cash transfers (of around US\$25 per month) would be provided to



approximately 3,000 female-headed households with children under the age of five to ensure their access to childcare services as they participate in the PI intervention. Each household would receive such cash transfer support for a period of one year.

Communication. The sub-component would also provide support for communication activities to ensure general program awareness and increase the awareness of beneficiaries of specific topics. To complement the group sessions under the AF, a communication plan would be prepared and implemented, with a focus on parental education, using community radios, social network channels, etc. to reinforce key messages and information around key topics. A communications expert would be engaged at the central level to lead these efforts while on the ground activities would be coordinated by the social technicians of the municipal chambers in coordination with the DGIS.

Sub-component 3.3 – Improve access to basic services and living conditions for poor and vulnerable households (US\$5.75 million)

This sub-component will finance works to improve access to basic services and living conditions for vulnerable households in selected neighbourhoods in Praia. The aim of this sub-component would be to improve the quality of life of urban communities and address inadequate living conditions characterized by dwellings with dirt floors; inadequate ceilings and walls; lack of or inadequate sanitary systems, including sewage systems and in-house bathrooms; and lack of adequate kitchen facilities. Interventions under this sub-component would be divided into three categories, including: (i) improvement of households' access to basic services; (ii) interventions to address houses' structural deficiencies and ensure their physical integrity; and (iii) requalification of public spaces in the immediate surroundings of targeted households. Specific works to be financed under this sub-component would include: (i) the installation of toilets and faucets, including the construction of septic tanks for those dwellings without access to a sewage system; (ii) urban requalification such as the paving of streets and access to houses, construction of drainage systems, and afforestation in housing located on dirt roads; and (iii) providing adequate cooking facilities including the installation of kitchen sinks, faucet fixtures, and connections to water and sewage systems.

The delivery of investments under this sub-component would be aligned with and informed by sub-components 3.1 and 3.2. The selection of beneficiaries would follow a holistic neighbourhood approach – interventions will be prioritized in dense urban areas where improvements of multiple neighbouring houses can generate synergies in the improvement of human capital outcomes of the neighbourhood as a whole – with targeting embedding climate and disaster risk and gender considerations. The selection of beneficiaries would be done in close collaboration with the MFIDS and using the data from the CSU to ensure that beneficiaries selected for support are registered and belong to the poorest quintile (Group 1 of the CSU). In addition to this poverty criteria, households headed by women and those with the presence of elderly and disabled would be prioritized. Moreover, MIOTH and MFIDS would work together to ensure that households that have been identified through the AF (under sub-component 3.2) to be in need of improved living conditions and reside in areas where the housing upgrading would take place, are also included. For other beneficiaries, MIOTH, MFIDS and the local municipalities would work together to ensure that families are aware of the government programs and services that can support them towards overcoming poverty, including accessing employment opportunities.



This sub-component is also aligned with the Bank's Green, Resilient, Inclusive Development (GRID) approach by systemically and simultaneously addressing the challenges of urban poverty and climate change through targeted investments that will increase urban quality of life for the most vulnerable urban residents. For instance, the proposed Project will contribute to greater resilience of the housing stock amongst poor and vulnerable populations, contributing to Cabo Verde's mitigation and adaptation efforts. Each intervention financed under this sub-component must adhere to strict resilience standards related to building codes and/or construction standards and promote the use of materials that have been proven resilient to natural and climate-related hazards. Additionally, each housing improvement solution must also be located in areas suitable for construction. By improving access to basic services and improving cooking facilities, the proposed Project is also helping drive transitions towards low-carbon, sustainable urban development.

Component 4: Project Management

This component will provide support for the management and implementation of Project. It will finance activities related to project management, including project coordination, procurement, financial management (FM), monitoring and evaluation (M&E), project communication, citizen engagement, and environmental and social safeguards. This component will also cover office equipment, operating costs, and independent audits, and contributions to shared costs for safeguards, procurement, and FM specialists at UGPE. A Project Manager specifically for the proposed Project will also be recruited.

Component 5: Contingent Emergency Response Component (CERC)

This component will be a Contingent Emergency Response Component (CERC) to enable a speedy response to future crises if needed. This component will have an initial zero budget allocation, but would allow for rapid reallocation of project funds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause major *adverse* economic and/or social impacts. To trigger this component, the Government would declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding. This component could also be used to channel additional funds should they become available because of an emergency. A specific Emergency Response Operations Manual would be prepared for this component, detailing FM, procurement, safeguards, and any other necessary implementation arrangements.

Component 6: Improving Access to Quality Childcare Services

Cabo Verde is committed to improving its human capital and increasing access to basic services including childcare. In order to empower women and increase LFP rates, Component 6 aims to increase access and improve the quality of the existing system, with a particular focus on children ages 0-3. More specifically, activities include ensuring resilient and climate-adapted infrastructure and safe care and play spaces, strengthening the capacity of the childcare workforce to promote child development, improving access to childcare for women from the poorest households, and strengthening coordination on ECD across ministries. In addition to efforts to improve coordination at the central level,



the financial and technical support provided under Component 6 will be limited to the four priority islands of Santiago, Sal, Boa Vista, and São Vicente.

Sub-component 6.1 – Rehabilitating, Constructing, and Equipping Climate-Change Resilient Childcare Centers (US\$2.38 million equivalent: US\$2.00 million IDA and US\$0.38 ELP)

The objective of this sub-component is to increase the supply of accredited and climate-change resilient centers offering all day, high-quality childcare services for children ages 0-5. To mitigate E&S risks and avoid potential delays in implementation, all 32 childcare centers to be supported under Sub-component 6.1 have been pre-identified:

1). The criteria for selecting the childcare centers included the following: (i) located on one of the four priority islands where the majority of the population resides and where there are currently the most employment opportunities; (ii) ensuring there will be at least one all day childcare center serving children 0-5 in each municipality; (iii) collaboration with local municipal government to identify unmet demand and commitment to support additional staffing needs after expansion; and (iv) evidence of land titles and ownership for all centers to benefit from works - either adaptations of existing spaces, planned expansions, or new constructions - with the majority (81 percent) belonging to the government. Out of the 32 childcare centers identified, there is one planned completely new construction in Sal, five major rehabilitations and nearly new constructions, and six spaces which are rented or privately owned and are only eligible to receive equipment and play and learning materials.⁴ Depending on existing needs, centers will benefit from a package of infrastructure upgrades, energy efficient equipment, and shaded outdoor playgrounds and safe play spaces, and age and culturally appropriate play and learning materials aligned with the childcare ludo-pedagogical curriculum, focusing on children ages 0-3.

All renovations and new constructions will be climate resilient. Designs will be informed by: (i) the 2024-2030 National Infrastructure Plan guidelines and standards for more climate-resilient buildings; and (ii) the recently published World Bank guidelines for climate friendly ECD centers, RIGHT+. Designs will ensure that ECD facilities address risks introduced to existing infrastructure due to climate change, use energy star certified equipment, and are child-centered and inclusive. All 32 centers must also have detailed disaster risk and emergency plans. The designs will address Cabo Verde's climate vulnerabilities such as higher temperatures and extreme weather events, including heavy rains and include the following elements: shading from overheating, using heat-resistant materials, improving ventilation and air-quality, preventing water infiltration, water storage tanks, green spaces, and energy efficient appliances. Kitchens will be refurbished and constructed to support implementation of nutrition guidelines and washrooms will be equipped with toilets and handwashing facilities appropriate for small children. The perimeter of the centers will also be safely secured with fences to protect the children and prevent vandalism. Sub-component 6.1 is expected to generate significant climate change adaptation and mitigation from better construction and improved energy efficiency.

Most childcare centers in Cabo Verde lack play and learning materials, especially for children ages 0-3. The project will support the purchase of culturally appropriate and low-cost materials which encourage play and discovery, such as floor mats, cots and safe sleeping spaces, and play stations to conduct and rotate activities for all 32 centers. Selected materials will be aligned with the guidelines in the Ludo Pedagogical Guide and included



in the training modules which will be used to train childcare workers under Sub-component 6.3.

All 32 childcare centers supported under Sub-component 6.1 must be accredited for both childcare and preschool services upon completion. During identification, priority was given to identifying at least one existing center or building a new one in almost every municipality so there would be at least one center eligible to receive children from the childcare subsidy program. Of the childcare centers/preschools to be rehabilitated, there are approximately 1,220 children enrolled and 90 childcare workers. Due to the nature of the works and to ensure the safety of the children and workers, alternative spaces will need to be identified for children to continue ECD activities while their classrooms are being upgraded. Each municipality, together with UGPE, will be required to develop relocation plans for the duration of the works ranging from 60 to 180 days. In municipalities where there are limited alternative spaces, the project will support the costs associated with the short-term rental of an adequate space. Each municipality will enter into a memorandum of understanding with MFIDS acknowledging their responsibilities to: (i) relocate children during the works; (ii) hire sufficient monitors and staff for the expanded spaces (based on the ratios required for each center to achieve accreditation); and (iii) help place children from the childcare subsidy program.

Sub-component 6.2 – Improving Access to Childcare for Women from the Poorest Households (ELP: US\$0.56 million)

Under the AF, the childcare subsidy pilot will be scaled-up. Specifically, under this expansion, the program will target women from groups 1 and 2 of the CSU prioritizing women with income generating activities or potential for increased productivity. Based on evidence available at the time of preparation, the average cost for all-day childcare varies for children ages 0-2 (approximately US\$40 per month) and those 2-5 (approximately US\$35 per month). Under Sub-component 6.2, the AF will target an additional 1,000 children ages 0-5 from women in groups 1 and 2 of the CSU and provide childcare subsidies as described above for a period of at least 12 months. Prior to implementing the expansion, a detailed procedures manual for the childcare subsidies program, approved by the World Bank, will be required.⁵ Other activities to improve implementation of the childcare subsidies program under Sub-component 3.2 and the expansion under Sub-component 6.2 include: (i) preparation and implementation of a communications plan and related activities for potential beneficiaries, childcare centers, and municipalities; (ii) TA to improve the management system and IT platform for the childcare subsidy program; and (iii) operational costs (i.e., transport, travel, etc.) for staff from MFIDS to supervise the program and obtain regular feedback from beneficiaries and childcare providers.

Sub-component 6.3 – Building Capacity of the Childcare Workforce (ELP: US\$0.54 million)

Many existing childcare providers in Cabo Verde have limited formal professional training. The quality of childcare services is highly dependent on the capabilities and motivation of childcare practitioners. The relationship between children and childcare practitioners is central to keep children safe, develop secure bonds, and engage in ageappropriate activities that support learning and development. Together with the 2018 Law on Childcare, the MFIDS developed the ludo pedagogical guide which includes effective pedagogical practices to use for children ages 0-3. However, greater attention on how to use this guide



and encourage meaningful interactions with children and promote children's cognitive, socio-emotional and motor development is needed. MFIDS intends to work in close collaboration with the Ministry of Education to develop a specific training program for approximately potential 550 existing childcare providers (i.e., public, private, Non-Governmental Organizations (NGO), and home-based providers) for children ages 0-3 on the four priority islands. It is expected that eventually the training program may be taken to scale for childcare workers on other islands as well. Upon completion of the training program, childcare professionals will receive an official certificate recognized by the career ladder for ECD professionals.

The AF will support MFIDS to hire ECD experts to develop and implement a training program for existing childcare workers of approximately 250 hours. The training will use a blended approach with a portion of the training being delivered online together with face-to-face sessions to practice various techniques and receive tailored instruction. Content-wise, the training modules will focus on: (i) age-appropriate play-based activities and pedagogy that support cognitive, socio-emotional and motor development for children ages 0-3; (ii) children' health, hygiene, nutrition, protection, and wellbeing, including first aid; (iii) specific guidelines for supporting children with special needs; and (iv) disaster risk and emergency plans. The AF will support: (i) the recruitment of an institution to develop and deliver the blended training program; (ii) select operational costs for childcare providers to facilitate their participation in the training sessions, including internet credit and transport subsidies; (iii) the purchase of pedagogical kits (materials with a value of approximately US\$100) to motivate and give to childcare professionals who successfully complete the training; and (iv) operational costs for technical staff from MFIDS and Ministry of Education to adequately supervise the program.

Sub-component 6.4 – Improving Multi-Sectoral Coordination and Institutional Strengthening (ELP: US\$0.27 million)

The AF will support the government to work across sectors to ensure the potential benefits of childcare access in terms of education, nutrition, and health are realized. To facilitate multi-sectoral collaboration, the AF will support the government to: (i) establish a ECD steering committee with representation from multiple ministries including the Ministry of Finance, MFIDS, ME, and the Ministry of Agriculture and Environment; and (ii) adopt an ECD framework for children ages 0-5 to ensure greater coordination of services. The ECD steering committee will be supported with: (i) financing to cover operational costs for regular committee meetings; (ii) opportunities to participate in knowledge exchange(s) with high performing countries in ECD multi-sectoral collaboration; and (iii) the development of an IT platform to improve data collection, monitor children-at-risk, and manage data related to childcare (i.e., coverage, accreditation of existing childcare centers, nutrition programs, location of children, etc.)

Given the need for close coordination with municipal governments under Component 6, the AF will support: (i) the recruitment of a Childcare Coordinator to be based within the General Directorate of Social Inclusion at MFIDS to coordinate activities under Component 6 and work closely together with relevant stakeholders across the four priority islands of Santiago, São Vicente, Sal, and Boa Vista; and (ii) the recruitment of technical assistants for each of the four islands to be based within the municipal governments and ensure timely responses and action. The technical assistants will be responsible for: (a) gathering any additional data needed for the rehabilitation/construction and equipping of



childcare centers on each island; (b) helping to ensure close adherence to relocation plans for children when works are underway; (c) organizing logistics for the training program for childcare workers; and (d) providing assistance, if needed, to identify potential women and centers to benefit from the childcare subsidies.

Lastly, in order to strengthen the evidence-base and inform policy decisions related to childcare, the project will support an impact evaluation (IE). The IE will evaluate the processes and effectiveness of the childcare subsidy program in improving access to childcare services, economically empowering women, and supporting child development. The World Bank team intends to work closely with the Gender Innovation Lab and the Invest in Childcare team on the study's design and implementation. Key metrics to be analyzed will include child development outcomes, women's economic empowerment outcomes, and scalable models to reach vulnerable families. The evaluation findings will be used to inform potential program improvements.

To account for the changes in the project's design and efforts to improve access to quality childcare, the project's RF will be modified in the following ways: (i) replacing the original intermediate indicator to measure childcare subsidy beneficiaries with a newly worded indicator which removes the reference to cash transfers; and (ii) introducing three new intermediate indicators to account for the new childcare activities. Additionally, two of the four existing PDO indicators will be replaced with the new, similar CRI indicators.

The World Bank's Audit rules require, annually, a financial report and the audit of Project's accounts, of Designated Account and of the Statement of Expenditure (SOEs). In this perspective, independent external auditors are required.

The Project's financial statements, carried out by the UGPE are prepared to give account of the set of the Project financial transactions that comprises the funding sources of Human Capital Project.

Objective

2. The objective of the audit of the project's financial statements is to enable the auditor to express a professional opinion on the Project financial positions as at the end of each fiscal years 2025, 2026 and 2027, and of the income and expenditure for the accounting period ending on that date. The project's books of account provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of each project.

Responsibility for preparation of financial statements

3. The UGPE is responsible for the preparation of financial statements, including the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, the safeguarding of the assets of the project, and adequate disclosure. As part of the audit process, the auditor will request from management written confirmation concerning representations made to us in connection with the audit.



Scope

4. The audit will be conducted in accordance with [International Standards on Auditing](#). Those Standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
5. In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters, including special considerations for public sector entities:
 - (a) In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud, as required by International Standard on Auditing 240.
 - (b) When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognize that noncompliance by the entity with laws and regulations may materially affect the financial statements, as required by International Standard on Auditing 250.
 - (c) The auditor should communicate audit matters of governance interest arising from the audit of financial statements to those charged with governance of an entity, as required by International Standard on Auditing 260.
 - (d) The auditor should appropriately communicate to those charged with governance and to management any deficiencies in internal control that the auditor has identified in an audit of financial statements, as required by International Standard on Auditing 265.
 - (e) To reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level, and should design and perform further audit procedures to respond to assessed risks at the assertion level, as required by International Standard on Auditing 330.
 - (f) When certain aspects of an entity's operations are performed by a third-party service provider, the auditor is expected to include an understanding and assessment of the internal control environment of the service provider during the audit process, as required by International Standard on Auditing 402.
 - (g) As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance, as required by International Standard on Auditing 580.
 - (h) When the external auditor decides to use the work of an entity's internal audit function to modify the nature or timing, or reduce the extent, of audit procedures to be performed directly by the external auditor, the determination shall be in accordance with International Standard on Auditing 610.



- (i) In determining whether to use the work of an auditor's expert or the extent to which the work of an auditor's expert is adequate for audit purposes, the determination shall be made in accordance with International Standard on Auditing 620.
6. In evidencing compliance with agreed project financing arrangements, the auditor is expected to carry out tests to confirm that:
 - (a) All external funds have been 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.
 - (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
 - (c) Goods, works, and services financed have been procured in accordance with relevant financing agreements, including specific provisions of the [World Bank Procurement Framework](#).
 - (d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify that respective reports issued during the period were in agreement with the underlying books of account.
 - (e) The Designated Account is managed taking into consideration the provisions of the financing agreement; and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;
 - (f) The project accounts were prepared on the basis of systematic application of the norms of the Accounting Normalization and Financial Reporting System (SNCRF) and provide a faithful image of the Project's financial situation at the end of each fiscal year as well as of the resources received and expenses made during the fiscal year ended on these dates;
 - (g) The project's fixed assets are real and correctly assessed and the project's property right or the beneficiaries over these assets are established according to the financing agreement;
 - (h) The ineligible expenditures in the request for Designated Account replenishment identified during the audit were reimbursed to the Designated Account. These expenditures will be subject of a separate note in the audit report;

Project financial statements

7. The auditor should verify that the financial statements have been prepared in accordance with [International Public Sector Accounting Standards](#). The financial statements of each Project should include:
 - (a) A statement of financial position;



- (b) The statement of profit or loss;
- (c) A statement of resources (funds received) and the uses (expenditures incurred during the fiscal year);
- (d) A statement of financial performance;
- (e) A cash flow statement;
- (f) A comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements;
- (g) A statement of Designated Account transactions;
- (h) Notes, comprising a summary of significant accounting policies and other explanatory notes;
- (i) The list of fixed assets acquired or purchased by the Project funds;

The auditor shall present in the annex of the financial statements a reconciliation of the funds received by the Project coming from the Bank and other source of funds on one hand, and the funds disbursed by the Bank and other source of funds, on other hand.

Review of Statements of Expenditure and Interim Unaudited Financial Statements

- 8. The auditor is required to audit all SOE/IFS submitted to the World Bank in support of requests for periodic replenishment of the project designated account(s). Expenditures should be examined for eligibility based on criteria defined in the terms of the financing agreement and detailed in the Project Appraisal Document. The auditor should report any ineligible expenditures identified as having been included in withdrawal applications and reimbursed.

Review of designated accounts

- 9. During the audit of the project financial statements, the auditor is required to review the activities of the project's designated account(s). Activities to be examined will include deposits received, payments made, interest earned, and reconciliation of period-end balances.

Audit Reports

Audit opinion

- 10. The auditor will issue an audit opinion on the financial statements.
- 11. The auditor will also give an opinion on: (i) the mobilization and use of funds by the project; (ii) the reality and the adequate recording of the constructions.

Specific opinion

The auditor will also give the following additional opinions on the reality of : (i) cash transfers that have been carried out in the framework of the cash transfers for access to child care activity (ii) the grants that

have been given in the framework of the Professional and training Grants with private sector activity; (iii) the works and constructions that have been carried out regarding improvement access to basic services and living conditions for poor and vulnerable households; (iv) cash transfer grant through the Productive Inclusion

Other audit reports

12. In addition to the audit opinion, the auditor will also, either in the audit report or in the report to management:
 - (a) provide comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
 - (b) identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
 - (c) report on instances of noncompliance with the terms of the financial agreement(s);
 - (d) quantify and report expenditures that are considered to be ineligible and either paid out of the designated account(s) or claimed from the World Bank;
 - (e) communicate matters that have come to attention during the audit that might have a significant impact on the implementation of the project;
 - (f) comments on unimplemented recommendations from the previous letter of recommendations
 - (g) draw to the borrower's attention any other matters that the auditor considers pertinent; and
 - (h) responses from management, including implemented and proposed remedial actions.

The audit will cover the following periods:

- 2025 from 1st January 2025 to 31 December 2025 ;
 - 2026 from 1st January 2026 to 31 December 2026; and
 - 2027 from 1st January 2027 to 31 December 2027
13. The auditor's opinion on the financial statements and management letter should be received by the Bank no later than six months after the end of each fiscal year.

General

14. The auditor is entitled to unlimited access to all information and explanations considered necessary to facilitate the audit, including legal documents, project preparation and supervision reports, reports of reviews and investigations, correspondences, and credit account information. The auditor may also seek written confirmation of amounts disbursed and outstanding in the Bank records.



15. The auditor is encouraged to meet and discuss audit-related matters, including input to the audit plan, with the World Bank project task team.
16. It is highly desirable that the auditor reviews the Bank's financial reporting and auditing requirements contained in [OP 10.00 Investment Project Financing](#), [Bank Policy: Program for Results Financing](#), and [OP 8.60 Development Policy Lending](#). The auditor should also be familiar with the [Disbursement Guidelines for Investment Project Financing](#) (February 2017), the [Loan Handbook for World Bank Borrowers](#) (February 2017), and the [World Bank's Procurement Framework](#) (July 2016).

The Auditor qualification

The consultant must be an independent Audit and Accounting Expertise Firm, doing the usual job of the accounts review, regularly registered in the Chartered Accountants Association recognized at the international level by IFAC or FIDEF, having a confirmed experience in financial audit of development projects and acceptable by the IDA.

The mission's key staff shall at least comprise:

- (1) 1 Certified Public Accountant partner responsible of the mission having at least 15 years' experience in financial audit and having good knowledge of the procedures of fiduciary management and audit of projects funded by the World Bank;
- (2) 1 Head of mission having at least a Degree level BAC+5 or more in auditing, accounting and possessing at least 10 years' experience in financial audit;
- (3) 2 Juniors having at least a Degree level BAC+5 or more in auditing, accounting and possessing at least 3 years' experience in financial audit;
- (4) 1 Procurement specialist possessing at least 5 years' experience in procurement.

The auditors shall have a vast experience in auditing and shall also have a great knowledge and a previous experience of the World Bank norms and of other donors concerning the audit of projects.

The working language is Portuguese and the reports shall be written as follows: two copies in English or French and one copy in Portuguese.

The auditor will submit the report to the Project Coordinator before June 10 of each fiscal year. This agent will send the audit report accompanied by the financial statements to the Bank including the letter of internal control.

Duration



It is expected that the volume of global intervention in terms of budget-time and resources (man-months) will be defined and justified in the auditor's submission. However, the candidates are requested to note that the average in Cabo Verde for similar audits do not generally exceed the 300 man/hour.

AUDIT TERMS OF REFERENCE FOR The RESILIENT TOURISM AND BLUE ECONOMY DEVELOPMENT PROJECT in CABO VERDE

Introduction

1. The Government of Cabo Verde has under preparation, with International Development Association – IDA / World Bank (hereafter named “World Bank”) support, the Resilient Tourism and Blue Economy Development in Cabo Verde Project, for the amount of US\$ 75 million to diversify the offering and increase SME participation in tourism-related value chains in targeted destinations. Part of the funds financed by the World Bank is intended for Development of Financial and Accounting Audits Resilient Tourism and Blue Economy Development in Cabo Verde Project.

In order to coordinate the actions that should be executed throughout the Project, the Government has established the Management Unit for Special Projects (Unidade de Gestão de Projetos Especiais - UGPE) that ensures the coordination of all the activities needed for Project execution, especially the fiduciary management of the Project. The audit services will, under the present terms of references, be entirely funded by the Resilient Tourism and Blue Economy Development in Cabo Verde Project.

The Resilient Tourism and Blue Economy Development in Cabo Verde Project consists of the following components:

Component 1: Develop integrated and resilient tourism and blue economy infrastructure (Total cost of: US\$31,58 million). This Component consists of sub-projects designed to improve the quality and condition of tourism-relevant infrastructure as well as improve access to selected tourism sites. Proposed infrastructure upgrades are deemed instrumental to broaden tourism offering and create a conducive environment for future private sector investment while improving the quality, sustainability and resilience of selected tourism destinations. The Project will include climate and gender criteria in the planning, prioritization,



and design of investments financed under this Component, with a view to maximizing their gender impact as well as climate mitigation and adaptation impacts and finding ambitious, innovative ways to accelerate the transition to a low carbon and smart integrated tourism development model. It will include the following activities:

- (a) Upgrade of integrated tourism and blue economy coastal infrastructure.** Investments will support the rehabilitation of tourism-relevant infrastructure. Specifically, the Project will support the redevelopment of selected fishing piers, fish markets, and improvement of seafront promenades. These investments will be designed to effectively integrate tourism and blue economy activities, incorporate climate resilience, promote efficient use of resources, reduce carbon emissions, and enhance the inclusion of women and vulnerable communities. The Project will also help define management arrangements of this infrastructure (including maintenance, conflict management, gender dimensions, waste management, etc.) for their handover to local users and beneficiaries and enhance their durability (as discussed in Component 2).
- (b) Improve accessibility to tourism sites.** Key investments will consist of the co-financing of the rehabilitation of 15 km of the Espargos-Santa Maria road on Sal island and the preparatory studies for improved accessibility to emerging tourism sites in Santiago and Santo Antao islands. These investments will consider resilient designs for rehabilitation and enhanced sustainability features such as solar powered lighting and bike/pedestrian pathways.
- (c) Rehabilitation of trekking trails, cultural heritage, and visitor centers.** Investments will be targeting developing key tourism assets and sites in emerging high-growth segments in selected destinations. This will include, among others, mapping and signaling for hiking trails and rehabilitation of hiking trails; rehabilitation of selected viewpoints, construction of visitors centers and improving signage and interpretation; and rehabilitation of selected historical/heritage sites. Each site investment will include a management/business plan to be developed or co-managed with the community or through a public-private partnership (PPP) model.
- (d) Develop a strategy and action plan for enhanced international and inter-island intermodal connectivity:** Technical assistance to develop an integrated and intermodal inter-island transport strategy which will aim at improving transport connectivity links between islands and between different modes of transport (air, sea, and land). The inter-island passenger traffic requires a network of maritime terminals in all the islands to deliver good service and a safe environment for passengers, as well as to promote commercial and tourist offerings. As such, the Project will also finance preparatory studies for the construction or upgrade of maritime passenger terminals located on five islands (Sao Nicolau, Boa Vista, Maio, Fogo, Santiago).

Component 2: Enhance inclusive and sustainable management of tourism and blue economy (Total cost of: US\$12.64 million, of which US\$5 million PROBLUE RETF). This Component will provide direct support to local SMEs to increase participation in the



tourism and blue economy value chains, whilst also supporting better enabling environment and policies to stimulate additional private sector investment in these segments. The Component will consist of a series of interventions aimed at helping local SMEs expand the scope and quality (particularly certification) of tourism related services and products, particularly in and around the main investment sites. Additionally, it will also support improvements to the public sector regulatory and enabling environment to spur sustainable private sector investment. It will include activities such as:

- (a) Support to entrepreneurship and SME development in the tourism and blue economy value chains:** This sub-component will provide support to local SMEs, particularly those in the Project sites, with the potential to develop and source within the local tourism and blue economy value chains (with a strong focus on women-led businesses). The support will be centered around a supplier development program (SDP) focusing on improving the quality, scale and reliability of products and services provided directly to larger hospitality firms (hotels, restaurant chains, travel agencies or wholesale intermediaries), as well as directly to tourists. The SDP will be drawn from a market-led approach, pivoting on the anchor firms to lead and select the preferred supply chain segments and areas for development. The scope of the program will include matching grants for targeted business development and small goods as well as technical assistance and capacity building directly to the firms and selected private sector intermediary organizations. A particular focus will be placed on the fisheries sector, providing key support across all phases of the respective supply-chain (from sustainability of fishing practices to certification and point of sale development), in addition to identification of new high potential business-viable fisheries. For supply-side access to finance, the subcomponent will be reinforcing the already existing mechanisms such as the public partial credit guarantee (through participating financial institutions, including microfinance) and public equity fund, calibrating the access criteria to both these instruments to the benefit of the eligible firms in the tourism and blue economy sectors.
- (b) Support enabling policies and programs to increase sustainable private sector investment in tourism and blue economy.** This subcomponent will facilitate integrated and sustainable tourism development and enhance the quality of tourism promotional efforts targeting higher market segments. It includes activities such as: (i) support to ITCV in enhancing marketing and promotion in key source markets (with an emphasis on digital marketing to better attract independent tourists); (ii) strengthening of the tourism national statistic system to improve the quality and analysis of tourism statistics, respective governance and information shared; (iii) improve tourism regulation and urban, land, coastal and marine planning; (iv) support sustainability of tourism sites, activities, and services, sharing responsibly marine and coastal areas and resources, particularly through co-management of infrastructures and community-based management initiatives in artisanal fishing communities; and (v) implementation of gender mainstreaming into tourism by leveraging gender sensitive approaches for better and safer for women, notably updating the Action Plan for Gender Mainstreaming in Tourism (2016-2018), including the design of a monitoring framework, customized capacity building and the integration of GBV standards in business practices.

Component 3: Project Implementation Support (Estimated amount: US\$ 0.78 million)



This Component will provide support to UGPE for the management and implementation of the Project. It will support incremental expenses related to the Project's implementation, including the hiring of (i) dedicated engineer staff within the UGPE to support activities under Component 1 including preparing technical specifications as well as supervising their construction and implementation; (ii) a project coordinator; (iii) an additional procurement specialist/assistant within UGPE; (iv) an independent auditor for the project; (v) capacity building to the UGPE and other sector stakeholders, as needed; and (vi) project operating costs.

Component 4: Contingent Emergency Response Component (CERC) (Estimated amount: US\$ 0 million). A CERC will be included in the project in accordance with **Investment Project Financing (IPF) Policy, paragraphs 12 and 13, for Situations of Urgent Need of Assistance and Capacity Constraints.** This will allow for rapid reallocation of loan uncommitted funds in the event of an eligible emergency as defined in OP 8.00. For the CERC to be activated, and financing to be provided, the Government of Cabo Verde will need (i) to submit a request letter for CERC activation, and the evidence required to determine eligibility of the emergency, as defined in the CERC Annex to the Project Operations Manual; (ii) an Emergency Action Plan, including the emergency expenditures to be financed; and (iii) to meet the environmental and social requirements as agreed in the Emergency Action Plan and ESCP.

2nd Additional financing

Component 1: Development of integrated and resilient tourism and blue economy infrastructure is proposed to be increased by US\$23.70 million to finance additional infrastructure investments. New infrastructure will unlock more sustainable private sector-led growth, strengthen the fisheries value chain and synergies between the tourism and other ocean economy sectors, and build resilience to natural hazards and climate change. As per the Parent Project subcomponents, the additional investments are as follows:

- a. **Upgrade integrated tourism and fisheries coastal infrastructure:** The selection of additional ocean economy infrastructure investments is informed by the PNIEB and includes the upgrading of the fisheries offloading wholesale market as well as the construction of a new retail fish market, both in Praia, Santiago Island, and the rehabilitation of fish landing and other coastal infrastructure in Santo Antão, São Nicolau, and Santiago Islands (see Figure 1). These infrastructure investments will improve sanitation and the quality of fish products toward creating export opportunities and incentivizing demand for fish products from the local tourism sector. Additionally, the proposed investments will unlock areas with high potential in tourism and the broader blue economy, facilitating activities such as sports fishing and other leisure nautical recreation sports. All infrastructure investments will adhere to low energy consumption building designs and use sustainable materials. Simultaneously, these infrastructure investments will consider challenges related to coastal erosion, storm surges, and environmental degradation and prioritize the integration of gender- and vulnerable communities-related issues. Preliminary designs and feasibility assessments have been prepared under the Parent Project, while feasibility, designs and management plans will be prepared under this AF to ensure



long-term sustainability. In addition, and as outlined below, Component 2 activities are targeted at enhancing the management capacity of fisheries value chains.

- b. **Improve accessibility to tourism sites:** The main additional investments under this subcomponent will involve the construction and rehabilitation of new maritime passenger terminal buildings in Praia (Santiago Island), Tarrafal (São Nicolau Island), and Sal-Rei (Boa Vista Island), to meet the growing demand for increased connectivity to service tourism and to provide adequate services to visitors. The feasibility study and technical design for the construction of these maritime terminals is being conducted under the Parent Project.
- c. **Rehabilitate trekking trails and cultural heritage and visitor centers:** To realize the potential of this top-ranked emerging market segment, the package for rehabilitating the hiking trails will be expanded within the northern islands to include a strengthened package for Santo Antão and São Vicente and another island, São Nicolau (which has a similar nature tourism potential).

Component 2 (*Enhancement of inclusive and sustainable management of tourism in a blue economy*) is proposed to be expanded with additional activities in the amount of US\$5.7 million. The additional activities will strengthen the management, governance and training of the fisheries and tourism sectors, and develop business and entrepreneurial skills including at the community level, to tap into the respective value chains.

- a. **Support entrepreneurship and SME development in the tourism and fisheries value chains.** The AF will enhance the entrepreneurship and SME-level support package included in the Parent Project. This will include empowering fishing communities, in particular women and communities that are associated with the envisaged infrastructure investments, by strengthening their climate resilience and entrepreneurial capacities and activities as well as engaging the communities in discussions about the gender norms that condone gender inequality and GBV; circular economy and integrated waste management support for the development of a private sector-led solution for integrated waste management in Sal Island; awareness raising and capacity building on topics such as circular economy, gender equality and GBV prevention, development of local tourism experiences marketed on digital platforms, and entrepreneurship to be directed towards local firms and actors in nature-based tourism, coordinating and leveraging from the ongoing national Tourism Rural Villages program (Aldeias Rurais Turísticas). The AF will support the implementation of projects that prioritize social inclusion, led by the private sector, looking also to facilitate public-private dialogue.
- b. **Support enabling policies and programs to increase sustainable private investment in tourism and other ocean economy sectors.** The AF will strengthen the governance and management of the fisheries and aquaculture sector and support associated research and training by particularly considering gender and GBV prevention aspects. It allocates more resources to sustainable development of nature-based tourism, including promotional efforts aimed at the hiking market, and improvements in governance, management and legislation related to nature-based tourism, implementing and piloting a hiking trail management and maintenance institutional framework with an initial focus on Santo Antão island.



Component 3 (Project Implementation Support) is increased by US\$0.6 million. The activities under this component will remain focused on assistance to the UGPE in managing and implementing the project. This will include the hiring of a senior technical staff member who will be responsible for supporting the project manager, as well as providing capacity building and technical assistance to relevant line ministries and implementing agencies.

The World Bank's Audit rules require, annually, a financial report and the audit of Project's accounts, of Designated Account and of the Statement of Expenditure (SOEs). In this perspective, independent external auditors are required.

The Project's financial statements, carried out by the UGPE are prepared to give account of the set of the Project financial transactions that comprises the funding sources of Resilient Tourism and Blue Economy Development in Cabo Verde Project.

Objective

2. The objective of the audit of the project's financial statements is to enable the auditor to express a professional opinion on the Project financial positions as at the end of each fiscal years 2026, 2027 and 2028, and of the income and expenditure for the accounting period ending on that date. The project's books of account provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of each project.

Responsibility for preparation of financial statements

3. The UGPE is responsible for the preparation of financial statements, including the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, the safeguarding of the assets of the project, and adequate disclosure. As part of the audit process, the auditor will request from management written confirmation concerning representations made to us in connection with the audit.

Scope

4. The audit will be conducted in accordance with International Standards on Auditing. Those Standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
5. In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters, including special considerations for public sector entities:
 - (j) In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud, as required by International Standard on Auditing 240.



(k) When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognize that noncompliance by the entity with laws and regulations may materially affect the financial statements, as required by International Standard on Auditing 250.

(l) The auditor should communicate audit matters of governance interest arising from the audit of financial statements to those charged with governance of an entity, as required by International Standard on Auditing 260.

(m) The auditor should appropriately communicate to those charged with governance and to management any deficiencies in internal control that the auditor has identified in an audit of financial statements, as required by International Standard on Auditing 265.

(n) To reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level, and should design and perform further audit procedures to respond to assessed risks at the assertion level, as required by International Standard on Auditing 330.

(o) When certain aspects of an entity's operations are performed by a third-party service provider, the auditor is expected to include an understanding and assessment of the internal control environment of the service provider during the audit process, as required by International Standard on Auditing 402.

(p) As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance, as required by International Standard on Auditing 580.

(q) When the external auditor decides to use the work of an entity's internal audit function to modify the nature or timing, or reduce the extent, of audit procedures to be performed directly by the external auditor, the determination shall be in accordance with International Standard on Auditing 610.

(r) In determining whether to use the work of an auditor's expert or the extent to which the work of an auditor's expert is adequate for audit purposes, the determination shall be made in accordance with International Standard on Auditing 620.

6. In evidencing compliance with agreed project financing arrangements, the auditor is expected to carry out tests to confirm that:

(i) All external funds have been 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.

(j) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.

(k) Goods, works, and services financed have been procured in accordance with relevant financing agreements, including specific provisions of the [World Bank Procurement Framework](#).



- (l) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify that respective reports issued during the period were in agreement with the underlying books of account.
- (m) The Designated Account is managed taking into consideration the provisions of the financing agreement; and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;
- (n) The project accounts were prepared on the basis of systematic application of the norms of the Accounting Normalization and Financial Reporting System (SNCRF) and provide a faithful image of the Project's financial situation at the end of each fiscal year as well as of the resources received and expenses made during the fiscal year ended on these dates;
- (o) The project's fixed assets are real and correctly assessed and the project's property right or the beneficiaries over these assets are established according to the financing agreement;
- (p) The ineligible expenditures in the request for Designated Account replenishment identified during the audit were reimbursed to the Designated Account. These expenditures will be subject of a separate note in the audit report;
- (q)

Project financial statements

- 7. The auditor should verify that the financial statements have been prepared in accordance with [International Public Sector Accounting Standards](#). The financial statements of each Project should include:
 - (a) A statement of financial position;
 - (b) A statement of profit or loss;
 - (c) A statement of resources (funds received) and the uses (expenditures incurred during the fiscal year);
 - (d) A statement of financial performance;
 - (e) A cash flow statement;
 - (f) A comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements;
 - (g) A statement of Designated Account transactions;
 - (h) Notes, comprising a summary of significant accounting policies and other explanatory notes;
 - (i) The list of fixed assets acquired or purchased by the Project funds;



The auditor shall present in the annex of the financial statements a reconciliation of the funds received by the Project coming from the Bank and other source of funds on one hand, and the funds disbursed by the Bank and other source of funds, on other hand.

Review of Statements of Expenditure and Interim Unaudited Financial Statements

8. The auditor is required to audit all SOE/IFS submitted to the World Bank in support of requests for periodic replenishment of the project designated account(s). Expenditures should be examined for eligibility based on criteria defined in the terms of the financing agreement and detailed in the Project Appraisal Document. The auditor should report any ineligible expenditures identified as having been included in withdrawal applications and reimbursed.

Review of designated accounts

9. During the audit of the project financial statements, the auditor is required to review the activities of the project's designated account(s). Activities to be examined will include deposits received, payments made, interest earned, and reconciliation of period-end balances.

Audit Reports

Audit opinion

10. The auditor will issue an audit opinion on the financial statements.
11. The auditor will also give an opinion on: (i) the mobilization and use of funds by the project; (ii) the reality and the adequate recording of the constructions.

Specific opinion:

12. The auditor will also give an opinion on the reality of the works and constructions that have been carried out regarding activities in component 1.

Other audit reports

13. In addition to the audit opinion, the auditor will also, either in the audit report or in the report to management:
 - (a) provide comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
 - (b) identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
 - (c) report on instances of noncompliance with the terms of the financial agreement(s);
 - (d) quantify and report expenditures that are considered to be ineligible and either paid out of the designated account(s) or claimed from the World Bank;



- (e) communicate matters that have come to attention during the audit that might have a significant impact on the implementation of the project;
- (f) comments on unimplemented recommendations from the previous letter of recommendations
- (g) draw to the borrower's attention any other matters that the auditor considers pertinent; and
- (h) responses from management, including implemented and proposed remedial actions.

The audit will cover the following periods:

- 2026 from 1st January 2026 to 31 December 2026
- 2027 from 1st January 2027 to 31 December 2027
- 2028 from 1st January 2028 to 31 December 2028 + grace period from July 1st to October 31st 2028.

AUDIT OF PROJECT CLOSURE OPERATIONS: from July 1st, 2028 to October 31st, 2028.

The auditor shall pay particular attention to the financial aspects relating to the activities associated with the closure of each Project:

- Confirmation of the physical existence of all assets acquired under the project;
- Ensuring that arrangements have been made for the transfer of these assets into the State's (Government's) patrimony in compliance with the public financial management rules applicable to projects financed by Technical and Financial Partners (TFPs);
- Ensuring that expenditures paid during the grace period correspond to works, goods, and services delivered and accepted by the Project no later than the project's closing date;
- Verifying that any irregularities (ineligible expenditures, breaches of procurement rules, etc.) have been duly reimbursed by the Government at the end of the grace period or project closure;
- Verifying that all debts related to the Project and eligible for Financing have been settled;
- Verifying that unused funds for each project have been returned to IDA/World Bank or that arrangements have been made for their reimbursement to IDA/World Bank at a date deemed acceptable by IDA.

14. The auditor's opinion on the financial statements and management letter should be received by the Bank no later than six months after the end of each fiscal year.

General

15. The auditor is entitled to unlimited access to all information and explanations considered necessary to facilitate the audit, including legal documents, project preparation and supervision reports, reports of reviews and investigations, correspondences, and credit account information. The auditor may also seek written confirmation of amounts disbursed and outstanding in the Bank records.



16. The auditor is encouraged to meet and discuss audit-related matters, including input to the audit plan, with the World Bank project task team.
17. It is highly desirable that the auditor reviews the Bank's financial reporting and auditing requirements contained in [OP 10.00 Investment Project Financing](#), [Bank Policy: Program for Results Financing](#), and [OP 8.60 Development Policy Lending](#). The auditor should also be familiar with the [Disbursement Guidelines for Investment Project Financing](#) (February 2017), the [Loan Handbook for World Bank Borrowers](#) (February 2017), and the [World Bank's Procurement Framework](#) (July 2016).

The Auditor qualification

The consultant must be an independent Audit and Accounting Expertise Firm, doing the usual job of the accounts review, regularly registered in the Chartered Accountants Association recognized at the international level by IFAC or FIDEF, having a confirmed experience in financial audit of development projects and acceptable by the IDA.

The mission's key staff shall at least comprise:

- (1) 1 Certified Public Accountant partner responsible of the mission having at least 15 years' experience in financial audit and having good knowledge of the procedures of fiduciary management and audit of projects funded by the World Bank;
- (2) 1 Head of mission having at least a Degree level BAC+5 or more in auditing, accounting and possessing at least 10 years' experience in financial audit;
- (3) 2 Juniors having at least a Degree level BAC+5 or more in auditing, accounting and possessing at least 3 years' experience in financial audit;
- (4) 1 Procurement specialist possessing at least 5 years' experience in procurement.

The auditors shall have a vast experience in auditing and shall also have a great knowledge and a previous experience of the World Bank norms and of other donors concerning the audit of projects.

The working language is Portuguese and the reports shall be written as follows: two copies in English or French and one copy in Portuguese.

The auditor will submit the report to the Project Coordinator before June 10 of each fiscal year. This agent will send the audit report accompanied by the financial statements to the Bank including the letter of internal control.

Duration



It is expected that the volume of global intervention in terms of budget-time and resources (man-months) will be defined and justified in the auditor's submission. However, the candidates are requested to note that the average in Cabo Verde for similar audits do not generally exceed the 300 man/hour.