

Loan Contract No. 4920/OC-BA
Amendment No.2

AMENDATORY AGREEMENT

AMENDATORY AGREEMENT entered into between the GOVERNMENT OF BARBADOS (the “Borrower”) and the INTER-AMERICAN DEVELOPMENT BANK (the “Bank”, and together with the Borrower, the “Parties”).

WHEREAS:

(a) Loan Contract No. 4920/OC-BA was entered into between the Parties on February 6, 2020 (the “Contract”) to finance the “Public Sector Modernization Programme (the “Programme”), the said Contract was amended on September 27, 2022, to activate the Principal Payment Option (PPO);

(b) The Bank’s Board of Executive Directors authorized a supplementary non-reimbursable investment financing for up to the amount of four million three hundred sixty-four thousand one hundred fifty Euros (€4,364,150) to be granted by the European Union (“EU”), which includes the Bank’s fees of two hundred sixty-nine thousand one hundred fifty Euros (€269,150) (the “EU-CIF Supplementary Grant”), to incorporate into the execution of the Programme. The Programme and the Contract shall be amended accordingly;

(c) The Bank, acting as administrator under the Financial Framework Partnership Agreement between the EU and the Bank dated September 29, 2020, entered into a specific EU Contribution Agreement for purposes of supplementing the Programme on June 1, 2023; and

(d) The Parties have agreed to execute the Non-Reimbursable Investment Financing Agreement No. GRT/ER-19884-BA to document the EU-CIF Supplementary Grant (“EU-CIF Grant Agreement”).

ARTICLE ONE

The Parties agree to amend the Contract in the manner and to the extent set forth below. Capitalised terms used but not otherwise defined herein have the meaning set out in the Contract.

SPECIAL CONDITIONS

1. All references to the “Ministry of Innovation, Science and Smart Technology” shall be amended to read “Ministry of Industry, Innovation, Science and Technology”.
2. The Parties agree to substitute the Annex with Annex I attached herein.

ARTICLE TWO

The Parties agree that this Agreement shall enter into effect on the last date of signature by the Parties.

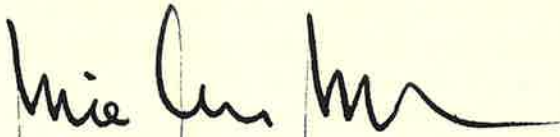
ARTICLE THREE

The Parties hereby agree that all other provisions of the Contract remain in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Agreement in two (2) equally authentic copies in Bridgetown, Barbados.

GOVERNMENT OF BARBADOS

INTER-AMERICAN DEVELOPMENT
BANK



The Hon. Mia Amor Mottley, S.C., M.P.
Prime Minister
Minister of Finance, Economic Affairs and
Investment

Viviana Alva Hart
Representative of the Bank
in Barbados

Date: 26th July, 2023

Date: 26th July, 2023

ANNEX I

THE PROGRAMME

Public Sector Modernization Programme

I. Objective

- 1.01** The main objective of the Programme is to improve the effectiveness of the Government of Barbados to enhance the competitiveness of its economy. This will be achieved through: (i) increasing the adoption of the digital channel to access public services by individuals and businesses; and (ii) an enhancement of the efficiency in the civil service and strengthening the skills in the public sector for a digital economy.

II. Description

- 2.01** To achieve the objectives indicated in Section I above, the Programme comprises the following components:

Component 1. Government Digital Transformation and Service Quality Improvement

- 2.02 Subcomponent 1.1. Design and implementation of an updated national digital strategy.** This subcomponent will finance the: (i) support for the design and implementation of an updated eGovernment strategy, including the development of standards, as well as legal and regulatory reviews and training and capacity strengthening of public sector employees on e-Government; (ii) strengthening of the Ministry of Industry, Innovation, Science and Technology (MIST) and of the Ministry of Finance, Economic Affairs and Investment (MFEI) to lead digital transformation in the government; (iii) creation of a digital team, including the design of the profiles for the team, training in digital technologies, open innovation, service design, data analytics, and process reengineering, among others; and (iv) support for the design and implementation of a cybersecurity strategy, including assistance in the establishment of a Security Operating Centre, cybersecurity training across the government and the private sector to improve awareness and preventive measures, and training for the Computer Emergency Readiness Team.
- 2.03 Subcomponent 1.2. Implementation of online services for businesses and individuals.** This subcomponent will finance the: (i) implementation of a one-stop-shop for online services, including common services for digital transactions, process reengineering and digitization of at least ten (10) services, the development of standard operating procedures for the digitization in government agencies; and (ii) design and implementation of a digital education programme (Digital Ambassadors Programme) for individuals and businesses.
- 2.04 Subcomponent 1.3. Core digital infrastructure for online service provision.** This subcomponent will finance the upgrading of the government's Information

Communication Technology (ICT) infrastructure, including an upgrade of the central data centre, hardware for government agencies, and service kiosks for digital services located in existing government offices.

- 2.05 Subcomponent 1.4. Implementation of a Digital Document and Records Management System.** This subcomponent will finance a Digital Document and Records Management System, including the digitization of paper-based records.
- 2.06 Subcomponent 1.5. Strengthening of the managerial efficiency and monitoring of investment projects.** This subcomponent will finance the strengthening of the newly established Competitiveness and Development Effectiveness Unit and the Public Investment Unit (PIU) of the MFEI, including the acquisition of a dashboard for public investment projects.
- 2.07 Subcomponent 1.6. Improve efficiency and quality of the service provided by the Queen Elizabeth Hospital (QEH).** This subcomponent will finance the following activities: (i) deploying technology solutions to improve patient care and staff experiences through the purchase of critical hardware: including, but not limited to, servers, personal computers, printers, and networking equipment as well as the purchase of a Health Information System (HIS); (ii) building the QEH's overall operational and human capacity to meet the growing demands of digital transformation; and (iii) developing a robust change management strategy to support the effective transition to digital delivery of core services and realization of a paperless QEH through, but not limited to, the hiring of consulting services in change management.

Component 2. Enhancing Human Resource (HR) Management in the Public Sector

- 2.08 Subcomponent 2.1. Workforce planning.** This subcomponent will finance the: (i) functional reviews of at least six (6) ministries and the implementation of activities based on such reviews; and (ii) HR Transformation Strategy with a gender and diversity focus, including supporting the development of a new HR model, strengthening activities for HR policy formulation and management across the central government level, Strategic Workforce Planning for HR management and practitioners and specialized training in areas like career planning, succession planning, leadership and HR auditing for compliance in exercise of delegated authority.
- 2.09 Subcomponent 2.2. Skills for a high performing public service.** This subcomponent will finance: (i) an assessment of training needs, the development of a public sector training plan and the training and upskilling for public sector employees, including training in disruptive technologies in public administration; (ii) the support for completion and enhancement of the government competencies framework for public sector employees with the focus on the requirements of a digital government and its implementation; and (iii) the support for the development and implementation of equitable and inclusive recruitment guidelines, including redesigning application forms, selection and appointment procedures, as well as training for HR practitioners.

- 2.10 Subcomponent 2.3. Strengthening HR management information systems.** This subcomponent will finance the mapping of all the HR processes and the implementation of an integrated system for HR management and performance management for public sector employees, including gender-disaggregated data.
- 2.11 Subcomponent 2.4. Change management and communication.** This subcomponent will finance the development of a change management plan that will address reforms carried out under the Programme’s two (2) components, the execution of change management and communication activities and training and certification in change management for public sector employees across government.
- 2.12 Programme Management and Administration.** During its duration, the Programme will finance costs related to audits, monitoring and evaluation, management and administration, and contingencies.

III. Total Cost of the Programme and Financing Plan

- 3.01** The distribution of the resources of the Programme, including those financed by the Loan and those financed by the Non-Reimbursable Investment Financing Agreement No. GRT/ER-19884-BA (“EU-CIF Grant Agreement”), is set forth in the following table:

Cost and Financing
(in US\$)

Components	IDB (USD)	EU-CIF (€)	EU-CIF (USD equivalent) ¹
Component 1. Government Digital Transformation and Service Quality Improvement	30,500,000	3,845,000	3,806,550
Subcomponent 1.1 Design and implementation of an updated national digital strategy	3,300,000	0.00	0.00
Subcomponent 1.2 Implementation of online services for businesses and individuals	15,300,000	0.00	0.00
Subcomponent 1.3 Core digital infrastructure for online service provision	3,700,000	0.00	0.00
Subcomponent 1.4 Implementation of a Digital Document and Records Management System	5,500,000	0.00	0.00
Subcomponent 1.5 Strengthening of the managerial efficiency and monitoring of investment projects	2,700,000	0.00	0.00
Subcomponent 1.6 Improve efficiency and quality of the service provided by the QEH	0.00	3,845,000	3,806,550

¹ Exchange rate: 1 EUR = USD 0.99

Components	IDB (USD)	EU-CIF (€)	EU-CIF (USD equivalent) ¹
Component 2. Enhancing HR Management in the Public Sector	6,000,000	0.00	0.00
Subcomponent 2.1 Workforce planning	500,000	0.00	0.00
Subcomponent 2.2 Skills for a high performing public service	1,700,000	0.00	0.00
Subcomponent 2.3 Strengthening HR management information systems	3,300,000	0.00	0.00
Subcomponent 2.4 Change management and communication	500,000	0.00	0.00
Project Management and Administration	2,000,000	0.00	0.00
TA Support for Executing Agency	0.00	150,000	148,500
Audits and Monitoring and Evaluation	500,000	0.00	0.00
Continuous Assessment and Final Evaluation	0.00	100,000	99,000
Contingencies	1,000,000	0.00	0.00
IDB administrative fees	0.00	269,150	266,458
Total	40,000,000	4,364,150	4,320,509

IV. Execution

- 4.01** The Executing Agency (EA) of the Programme will be the Ministry of Industry, Innovation, Science and Technology (MIST).
- 4.02** A Programme Execution Unit (PEU) will be established within the EA. The PEU will be responsible for the Programme's execution, administration, procurement, and financial management, including: (i) the preparation of semi-annual progress reports; (ii) the preparation and the implementation of the Annual Operating Plans; (iii) the preparation of budgets and disbursements; (iv) the preparation of the Procurement Plan; (v) the financial administration of the Programme according to accepted accounting principles and for presenting audited financial statements; (vi) ensuring the quality and efficacy of procurement processes and their compliance with both the policies of the Bank and those of the Borrower; (vii) ensuring the consistent alignment of expected Programme results with day to-day Programme implementation as well as continuous data collection to enable the measurement of the indicators included in the Programme's Results Matrix; and (viii) being the Programme liaison with the Bank. The PEU in the MIST will be strengthened with an additional project coordinator and a procurement officer dedicated to the processes of the QEH.
- 4.03** **Coordination.** The Programme will have three (3) project coordinators, one assigned to Component 1, another assigned to Component 2 and the third assigned to the QEH processes. Each project coordinator will report to the PEU's project manager.

- 4.04 Strategic Decision-Making Committee.** The Strategic Decision-Making Committee (SDMC) will be responsible for providing oversight and strategic direction and recommendations as well as to ensure the coordination of government agencies and other initiatives.
- 4.05 Technical Advisory Team (TAT).** A TAT will be established as technical support for the PEU for the establishment of interoperability standards and norms, digitization procedures and guidelines. The TAT will comprise technical staff of the entities participating in the digitization of paper-based records under Subcomponent 1.4. The TAT will be chaired by the Permanent Secretary in the MIST or his designate.

