

TECHNICAL COOPERATION DOCUMENT (TC-DOCUMENT)

I. BASIC PROJECT DATA

Country	Regional
TC Name:	Digital solutions for connected citizens and governments
TC Number:	RG-T2406
TC Taxonomy:	Research & Dissemination (RD)
Team Leader/Members:	Miguel Porrúa (IFD/ICS), Team Leader; Pedro Farias (IFD/ICS); Antonio García-Zaballos (IFD/ICS); Javier Jimenez Mosquera (LEG/SGO); Pablo Valenti (ICS/CO); Nicolás Dassen (IFD/ICS); Alejandro Pareja (IFD/ICS); Catalina García de Alba (IFD/ICS); Paula Castillo Martinez (VPS/VPS); and Cecilia Bernedo (IFD/ICS).
Reference to Request for TC:	N/A
Date of TC Abstract:	April, 2014
Donors providing funding:	Public Capacity Building Korea Fund for Economic Development (KPC)
Beneficiary:	Regional: All countries of Latin America and the Caribbean (LAC)
Executing Agency and contact name:	Inter-American Development Bank (IADB), Miguel Porrúa, IFD/ICS (mporrúa@iadb.org)
IDB Funding Requested:	IDB: (KPC) US\$700,000
Local counterpart funding:	Local: In-kind from the Ministry of Science, ICT and Future Planning (MSIP) <u>US\$ 60,000</u>
	Total: US\$760,000
Execution period:	24 months Disbursement period: 30 months
Required start date:	July, 2014
Types of consultants:	Individual and Firm
Prepared by Unit:	Institutional Capacity of the State Division (IFD/ICS)
Unit of Disbursement Responsibility:	IFD/ICS
Included in Country Strategy:	This is a regional TC
TC included in CPD:	
GCI-9 Sector Priority:	Yes. Institutions for Growth and Social Welfare

II. OBJECTIVE AND JUSTIFICATION

- 2.1 **Background and justification.** Recent studies and surveys show that in spite of a greater demand by the Region's citizens for better public services, their satisfaction with these services has declined in 10 out of 18 countries in Latin America¹. In addition, governments are not meeting citizens' needs and operate in an inefficient and costly manner. To cite one example, the regional average time to start a business is twice in Latin America as it is in the rest of the world, with 64 vs. 32 days (Doing Business 2013), which has a direct negative impact in the productive sector and in the Region's economic development. To the inefficient service delivery, the Region adds a worrying deficit in active citizen participation. Latinobarómetro reports that 31% of

¹ Latinobarómetro 2011, page 105.

citizens in Latin America have indicated that the Region lacks sufficient citizen participation for democracies to function properly².

- 2.2 ICTs have proven worldwide their capacity to support government efficiency, transparency and participation. In Transparency International latest ranking, 15 of the top 20 countries are also among the top 20 countries in the UN e-Government Survey 2012 Index³. Additionally, 12 countries that made the top 20 in the Doing Business 2013 ranking are also in the top 20 of the e-Government Survey 2012. In addition, out of 328 commitments made by 14 of the 15 Latin American and the Caribbean (LAC) countries that joined the Open Government Partnership (OGP)⁴, 204 (62%) mentioned the use of ICTs to achieve the set goal.
- 2.3 With few exceptions, LAC's governments lag behind in the adoption of Information and Communication Technologies (ICTs), therefore severely limiting their ability to better serve its citizens and to improve their competitive position in the world. The gap between the Region and other advanced and emerging economies in the field of e-government is illustrated in the e-Government Readiness Survey 2012 where only Chile, Uruguay and Colombia manage to rank in the top 50 in the world, and the LAC Region has an average score of 0.51 to 1, compared to 0.92 in Korea and 0.85 in US and Canada. In fact, 11 LAC countries fall below the 100th position.
- 2.4 The LAC Region has a mechanism to promote the use of ICTs in public administrations—the E-Government Network of Latin America and the Caribbean (RED GEALC)⁵—which brings together all national e-government directors from the Region. The Bank contributed to the creation of this network and with its support RED GEALC has organized two ministerial level meetings on e-government and has become one of the most active working spaces in the field of e-government in the Region. Given the Bank's technical and financial support to RED GEALC for the past 10 years, it is in a privileged situation to leverage the work of this network in support of the LAC countries' e-government agenda.
- 2.5 In spite of the lackluster position of Latin American and Caribbean countries in the e-Government rankings as indicated in point 2.4, there is no regional study that presents an in-depth analysis of the causes of this worrying situation and the potential measures to address them. This lack of systematic information limits the capacity of policy makers to put in place appropriate initiatives to promote the advancement of e-government. As the next point indicates, the identification of factors inhibiting the progress of e-government is made through open discussions during the regional meetings rather than through a study.
- 2.6 During the last RED GEALC ministerial meeting on e-government (San José, Costa Rica, November 2012), the following factors were identified by the participating

² Latinobarómetro 2011. page 43.

³ e-Government Survey 2012. United Nations Department for Economic and Social Affairs (UNDESA).

⁴ [Dassen, Nicol's y Ramírez Alaujas, Alvaro. 2014.](#)

<http://publications.iadb.org/bitstream/handle/11319/6400/ICS%20TN%20Winds%20of%20Change.pdf?sequence=4>

⁵ www.redgealc.net

countries as the main obstacles for advancing e-government in the Region: (i) lack of political commitment; (ii) weak institutional units responsible for e-government; (iii) limited availability of skilled human resources; (iv) difficult access to advanced knowledge and expertise; and (v) insufficient financial resources dedicated to e-government strategies and initiatives. This TC includes a series of activities that will assist countries in identifying and overcoming some of these obstacles, particularly as they relate to a shortage of information and lack of awareness of the impact that e-government has in the efficiency of public administrations.

- 2.7 **E-Government in the Bank's agenda.** The development of e-government supports the priorities of the GCI-9, as captured in the current Sector Strategy: “Institutions for Growth and Social Welfare”. In particular, the Strategy highlights the promotion of e-government tools and applications for improved public service delivery to meet the demands of citizens, lower transaction costs and support greater citizen participation. In addition, the TC supports the work of the Bank’s Special Program for Broadband Services (GN-2704), considering that growing e-government services will make higher use of current IT infrastructure and increase demand for broadband internet in the Region.
- 2.8 **Objective.** The purpose of this Regional Technical Cooperation (TC) is to contribute to increase the use of Information and Communications Technologies (ICTs) in the public administration to improve the effectiveness, efficiency and openness of government operations and public service delivery by providing policy makers and government leaders with knowledge tools and access to recognized good practices.

III. DESCRIPTION OF ACTIVITIES AND RESULTS

- 3.1 The components and activities defined below are designed to address the main challenges indicated by the Ministers of e-government as obstacles: lack of political commitment, weak institutional units responsible for e-government, limited availability of skilled human resources, difficult access to advanced knowledge and expertise, and insufficient financial resources dedicated to e-government strategies and initiatives.
- 3.2 **Component 1. Knowledge generation (US\$153,500).** Additional information is required in the Region to raise awareness on the importance of e-government for public administrations. As part of this component the following tools will be developed: (i) a model to measure the impact of e-government in quantitative terms through a comprehensive methodology that includes financial, environmental and social aspects; (ii) identification and documentation of e-government international best practices; and (iii) a report on the state of e- government in LAC.
- 3.3 **Activity 1. A model to measure the impact of e-government.** For government leaders it is necessary to have a clear business case on the return of the investment on e-government projects. A tool to measure how a specific e-government project will: (i) reduce operational costs in government; (ii) decrease required steps; (iii) reduce waiting time; (iv) diminish or eliminate paper consumption. In addition, as a result of these effects subsequent impacts will be generated in the environment as well as in citizens’ time spent dealing with

government. This comprehensive tool will let governments take informed decisions on where the limited government resources will generate the higher rate of return. This tool will be a model designed with flexibility to allow its application to most of the e-government projects in all LAC countries with minor adaptations. The model will include an application manual that will facilitate its usage by the countries without external consulting support. The tool will be available to all LAC countries and it is anticipated that those lagging behind in the e-government rankings will be the most interested in using it to make the case to the budget authorities to allocate financial resources to e-government projects.

- 3.4 **Activity 2. Identification and documentation of e-government international best practices.** This document will analyze in detail the experience of four advanced countries in the e-government rankings drawing lessons learned and identifying specific initiatives that could be a reference for Latin American and Caribbean countries. The study will be structured to present recommendations and guidelines based on both positive experiences and mistakes made by the selected advanced countries.
- 3.5 **Activity 3. Report on the status of e-government in Latin America and the Caribbean.** The document will be the foundation for identifying the successes achieved by the Region in e-government and the challenges to be addressed in order to accelerate progress. This report will identify the obstacles for e-government to advance in the Region thereby facilitating the design of national and regional initiatives to overcome them.
- 3.6 **Component 2. Knowledge dissemination and transfer (US\$341,500).** Enabling regional spaces for government interaction and exchange of experiences on e-government will increase interest, and help identify potential areas of collaboration among the participating countries. As part of this component the following activities will be undertaken: (i) two e-Government Annual Conferences with LAC government authorities; (ii) experiences exchange window with a special area focused in Korean e-government solutions⁶; (iii) key communication tools of E-Government Network from Latin America and the Caribbean (RED GEALC) (newsletter, website, excelGOV awards) will be strengthened; and (iv) Yogobierno.org⁷ will be expanded throughout the Region and its findings documented and disseminated.
- 3.7 **Activity 1. E-Government Annual Conferences.** These conferences will gather both e-government managers and policy makers from all LAC countries to discuss the latest trends on e-government, the challenges faced by LAC countries to advance their respective e-government agendas and the potential means to address them. It will also provide a great opportunity to present successful e-government initiatives developed by the Region's governments. For the past 10 years, the Organization of American States has organized 8 e-Government Annual Conferences, including 2 ministerial ones. Given the OAS's accumulated knowledge both in e-Government relevant topics and the recognized experts

⁶ South Korea has been a strong supporter of ICT-related activities at the Bank and is ranked as the top country in the world in e-government by the above-mentioned United Nations survey. In 2013, the government of South Korea launched the e-Government Global Academy to share its knowledge and expertise with the rest of the world.

⁷ www.yogobierno.org. An initiative launched in 2013 by the IDB and the governments of Argentina, Brazil, Chile, Colombia, Costa Rica and Uruguay.

the two annual conferences will be contracted to the OAS that will work in close coordination with the IDB. In addition, the OAS has trained 9.000 government officers in different e-government topics, produced 11 publications on e-government, created an e-government experts database with more than 300 professionals and organized more than 100 exchanges of e-government experts among Latin American and Caribbean countries. In the LAC region no other organization has organized more e-government meetings and nor has organized an e-government ministerial meeting.

- 3.8 **Activity 2. Experiences exchange.** Subsequent to the annual conferences, countries will have the opportunity to study in-depth those e-government experiences that have called their attention and are potentially applicable to their countries. This activity will facilitate the mobility of experts between countries by funding traveling costs for these experts to qualifying countries. A requirement for this funding will involve a submission of a working agenda to explore a specific e-government solution⁸ and demands will be attended on a first come-first serve basis
- 3.9 **Activity 3. Communication.** In order to give maximum exposure to the knowledge products generated, key communication tools of RED GEALC will be strengthened. The Website that receives close to 5,000 visits per month, the RED GEALC monthly newsletter that reaches 3,000 practitioners and government officers, as well as the excelGov awards that recognize the best e-government solutions every 2 years and publishes a widely used e-government solutions catalogue.
- 3.10 **Activity 4. Yo-gobierno.** Since this activity is key to facilitate the dialogue between citizens and governments and promote innovation in public administration, through this activity the online platform will be updated to facilitate the interaction between yogobierno and other social networks, and the ideas shared will be analyzed and documented through periodic publications.
- 3.11 **Component 3. Design of pilot projects (US\$160,000).** Through this component consulting support will be provided to four pilot projects to further stimulate governments interested in carrying out specific initiatives related to e-government. Areas of focus for these projects will be: e-government strategy design, open data initiatives, m-government, interoperability, social network for government services, just to mention a few. The funding provided is expected to help mobilize additional local resources or access to other Bank funding mechanisms. One of the pilot projects will be implemented in a small and vulnerable country.
- 3.12 **Results.** In the medium to long term, the TC is expected to have contributed to the advancement of ICTs in the LAC Region's public sector. In the short term, it will encourage the development of e-government strategies and initiatives aimed at improving public service delivery and efficiency, as shown by the following expected results:

⁸ FOCOH, a horizontal cooperation initiative of RED GEALC, has successfully followed this formula for the past 8 years. Please see <http://www.redgealc.net/horizontal-cooperation-fund/content/2024/en/>

- a. 5 countries have applied the e-government impact model.
- b. 4 countries have developed new e-government strategies or updated current ones.
- c. 150 government representatives have participated in the annual exchanges.
- d. 10 countries have participated in individual exchanges.
- e. 30,000 people follow yogobierno.org
- f. 24 e-government bulletins have been published and disseminated.
- g. More than 100 e-government solutions from LAC have been documented.
- h. 4 pilot projects designed.

Table 3.1 Indicative Results Matrix

Output	Indicator	Base Line	Target at the end of TC	Means of verification
Knowledge document on e-government impact has been produced and applied to 5 countries	Number of countries where the e-government impact model has been applied	0	5	TC Evaluation document
E-Government strategies designed or updated	Number of countries where e-government strategies have been designed or updated	0	4	Survey conducted among RED GEALC members
Document on e-government international best practices produced	Number of documents	0	1	IDBDOCS
Document on the status of e-government in LAC produced	Number of documents	0	1	IDBDOCS
Knowledge exchanged	Number of participants in the regional meetings	0	150	Regional meetings reports
Experiences exchanged	Number of experts exchanged among participating countries	0	10	TC Final Evaluation document
Knowledge communicated and disseminated	Number of e-government bulletins produced	0	24	Red Gealc website
Knowledge communicated and disseminated	Number of excelGob catalogues produced	0	2	Red Gealc website
Citizens engaged in dialogue with public sector to promote innovation	Number of followers of yogobierno.org	15,000	30,000	Facebook statistics
Pilot projects designed	Number of pilot projects designed	0	4	TC Final evaluation document
Outcome				
Governments give more importance to the use of ICTs to improve public services	Number of countries that set up new e-government strategies	0	4	TC Final evaluation document

IV. BUDGET

- 4.1 The total cost of this Regional Technical Cooperation is US\$760,000 of which this funding request will finance US\$700,000. The Ministry of Science, ICT and Future Planning of Korea (MSIP) will fund US\$60,000 through in-kind support. A detailed budget is presented in Table 4.1 below:

Table 4.1: Indicative Budget

Activity	Year 1				Year 2				Counterpart funding, MSIP	Subtotal US\$
	Unit	# Units	Pr. Unit	Subtotal	Unit	# Units	Pr. Unit	Subtotal		
Component 1. Knowledge generation				110,500				43,000		153,500
A model to measure the impact of e-government	Cons	1	45,000	45,000				0		
Identification and doc. E-Government Int. best practices	Cons	1	20,000	20,000				0		
Status of e-Government in LAC report	Cons	1	20,000	20,000	Cons	1	20,000	20,000		
Graphic design and editing	Cons	1	6,000	6,000	Cons	1	5,000	5,000		
Translation	Cons	1	15,000	15,000	Cons	1	15,000	15,000		
Printing (just the e-Gov in LAC Report)			4,500	4,500			3,000	3,000		
Component 2. Knowledge dissemination and transfer				180,000				161,500		341,500
e-Government Annual Conference		1	70,000	70,000		1	70,000	70,000		
Experiences exchange		3	2,500	7,500		2	2,500	5,000		
Experiences exchange Korea		2	4,000	8,000		3	4,000	12,000	60,000	
RED GEALC communication tools	Cons	1	24,000	24,000		1	24,000	24,000		
Yogobierno.org				70,500				50,500		
Advanced governments study	Cons	1	20,000	20,000				0		
Online platform development	Cons	1	15,000	15,000		1	15,000	15,000		
Results documentation and dissemination		1	35,500	35,500		1	35,500	35,500		
Component 3. Design of pilot projects		1	40,000	40,000		3	40,000	120,000		160,000
Monitoring		1	10,000	10,000		1	10,000	10,000		20,000
Evaluation										15,000
Contingencies										10,000
Total US\$									60,000	700,000

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 Since this TC has been designed by the Institutional Capacity of the State Division (IFD/ICS) and has an important research and dissemination component, in accordance to Document GN-2629-1 Appendix 10 on Operational Guidelines for TCs, this TC will be executed by IFD/ICS. The Division has recently strengthened the area of e-government in response to growing interest from borrowing countries. In addition, the TC will complement current efforts undertaken by the Bank through its new Special Program for Broadband Services (GN-2704), specifically by promoting the use of broadband enabled e-government services. The Bank has developed valuable experience in the implementation of e-government initiatives since it is currently supporting eight loan operations in this area and has led two regional TCs in the past eight years (ATN/OC-9253-RG – RG-T1153; ATN/FI-12607-RG – RG-T1929). This TC will contribute to advancing the Bank's position as a valuable regional partner for countries in the Region that are seeking to strengthen their participation in today's knowledge based society. For the selection and contracting of individual consultants Human Resources procedures will be observed in accordance to AM-650. For the selection and contracting of consulting firms as well as for non-consulting services the Bank's institutional policies and procedures will be follow as established in GN-2303-20.

VI. PROJECT RISKS AND ISSUES

- 6.1 Two main risks have been identified. The first one relates to a potential poor participation by beneficiary countries in the activities planned and the difficulty to obtain sufficient data to create a solid e-government report. These risks will be mitigated through the active involvement of the Bank-ICS specialists in each country, as well as by leveraging on RED GEALC and its coordinator to reach to the e-government directors and managers in the Region. This one-to-one dialogue complementing the massive communication messages will help engage the different e-government managers.

- 6.2 The second risk is the potential low priority of e-government in the political agenda of the LAC countries. To mitigate this risk, this initiative includes three relevant activities. Two of them focus on the generation of knowledge that will build the arguments to present to the policy makers about the importance of e-government. These two products are “The report on the status of e-Government in LAC” and the methodology to analyze the “Impact of e-Government”. The third key mitigation measure is the inclusion of policy makers in the annual meetings so they can be presented with the knowledge mentioned previously and the argument to defend the importance of e-government can be substantiated.

VII. ENVIRONMENTAL STRATEGY

- 7.1 Given the nature of the current TC, there are no social or environmental risks associated with it. This operation is classified as a Category “C” according to the classification toolkit of the Bank (see Link: [IDBdocs#38263809](#)).

ANNEXES:

- Annex I – Terms of Reference ([IDBDocs#38855688](#))
- Annex II – Procurement Plan ([IDBDocs#38855697](#))

DIGITAL SOLUTIONS FOR CONNECTED CITIZENS AND GOVERNMENTS

RG-T2406

CERTIFICATION

I hereby certify that this operation was approved for financing under the Public Capacity Building Korea Fund for Economic Development (KPC) through a communication dated June 9, 2014 and signed by Suyeong Yu, Director of the International Bureau, Ministry of Strategy and Finance of the Republic of Korea. Also, I certify that resources from said fund are available for up to US\$700,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

(ORIGINAL SIGNED)

7/17/2014

Sonia M. Rivera
Chief
Grants and Cofinancing Management Unit
ORP/GCM

Date

APPROVAL

Approved:

(ORIGINAL SIGNED)

7/18/2014

Carlos Santiso
Division Chief
Institutional Capacity of State Division
IFD/ICS

Date