



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 17-Apr-2023 | Report No: PIDC35232



BASIC INFORMATION

A. Basic Project Data

Country Dominican Republic	Project ID P180302	Parent Project ID (if any)	Project Name Public Administration Reform for Citizen and Business Centric Public Services (P180302)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Aug 09, 2023	Estimated Board Date Oct 11, 2023	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Dominican Republic	Implementing Agency Ministry of Public Administration (MAP)	

Proposed Development Objective(s)

The project development objective (PDO) is to improve the efficiency, accessibility, and responsiveness of selected administrative services for citizens and businesses.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	40.00
Total Financing	40.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	40.00
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Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track I-The review did authorize the preparation to continue



Other Decision (as needed)

B. Introduction and Context

Country Context

1. **While the Dominican Republic's (DR) economy has grown rapidly in the last decade it remains vulnerable to economic shocks.** Between 2013 and 2019 the DR economy grew at an annual average rate of over five percent, ranking as the third most dynamic economy in Latin America and the Caribbean. However, growth was primarily driven by capital accumulation and remittances accounting for 11.3 percent of Gross Domestic Product (GDP), rather than productivity gains and institutional development. The COVID-19 pandemic led to a contraction in GDP per capita of 7.5 percent in 2020, the biggest drop experienced in thirty-years. However, a strong and broad-based recovery took place in 2021, with real GDP increasing by 12.3 percent driven by the reopening of the domestic economy as COVID-19 vaccination progressed and Government monetary stimulus measures. However, Russia's invasion in Ukraine poses important risks, primarily through higher prices of goods and services (the DR is a net importer of oil, natural gas, soybeans, sorghum, wheat, and corn). Rising inflation is reducing household disposable incomes, primarily of the more vulnerable population.¹

2. **Poverty has declined consistently since 2013, but the reduction is below what would be expected given the sustained level of growth.** The poverty rate (defined as less than USD\$5.5/day) peaked at 55 percent of the population in 2004 falling to 12 percent in 2019, while the middle class (incomes between USD\$13 and USD\$70/day) expanded from 25 to 42 percent and the Gini Coefficient fell from .51 to .43. However, the vulnerable population (incomes between USD\$5.5 and USD\$13/day) has remained flat at 44 percent, and so more than half the population is either in poverty or at risk of falling back into it. During the COVID-19 pandemic poverty increased to 23.4 percent in 2021 and extreme poverty increased from 2.6 percent in 2019 to 3.1 percent in 2021.

3. **Coverage of basic services has expanded over the last twenty years but improvements in outcomes have trailed, particularly for low-income groups.** Primary school completion rates increased from 72 percent in 2000 to 95 percent in 2018 and upper secondary completion rates increased from 39 percent to 64 percent over the same period. However, the 2018 Program for International Student Assessment (PISA) reports that only 21 percent of 15-year-old students reached at least minimum proficiency in reading and only 9 percent achieved it in mathematics. While child mortality declined from 41 deaths of under-five children per 1,000 births in 2010 to 20 deaths in 2020, mortality rates are now three times higher for the poorest quintile than they are for the wealthiest quintile (42 vs 17 deaths per 1,000 births). According to the 2021 Human Capital Index, the future productivity of a child born into the richest 20 percent of households is 66 percent while it is 53 percent for a child born in the poorest 20 percent, a gap of 13 percentage points. These differences can be explained in part by the decision of those that afford private education and health services to opt out of public services. Latinobarometro surveys indicate that about half of the users of public services are satisfied (education 55 percent and health services 45 percent), but they also reveal that many survey respondents consider the education and health systems to be unjust (41 percent and 55 percent respectively).

4. **DR has a high risk of climate-related and other disasters from natural hazards, ranking 32 out of 181 countries in the 2021 World Risk Index.** DR has suffered human and material losses associated with hurricanes, floods, earthquakes, landslides, droughts, coastal erosion, and forest fires. Most recently (September 2022), Hurricane Fiona hit DR as a category one hurricane with strong winds of 150 km/h and heavy rains affecting over 1.4 million people. According

¹ The inflation rate of 8.6 per cent year on year in September 2022 remains well outside the target range of 4±1 percent. It is driven by the impact of disruptions in international supply chains and increasing commodity prices for food and transport.



to official reports, 8,708 homes were damaged (out of which 2,638 were fully destroyed), over 43,000 people were displaced, and more than one million households experienced water supply disruptions. Events such as this have shown the urgent need to build institutional and financial capacity to manage DR's exposure to nature shocks.

5. **The National Strategy for Development 2030 (NSD) seeks to achieve high-income status by 2030 through structural reforms supporting increased productivity, including investment in innovation, economic clusters, and improved public services that will address social and territorial inequality and poverty.** The National Multi-Year Public Sector Plan 2020-24 (*Plan Nacional Plurianual del Sector Público*, NPSP) endorses the NSD, defines cross-cutting themes (gender, territory, participation, sustainability, transparency and accountability, affirmative actions for vulnerable groups, and digital transformation) and identifies 33 government priorities. These priorities include public administration reforms encompassing state modernization, digital transformation, combatting corruption and territorial and municipal development.

Sectoral and Institutional Context

6. **DR's public administration is characterized by fragmentation, a bureaucratic culture, and a weak performance orientation.** The central government comprises 24 ministries with over 300 dependent agencies. These institutions tend to operate in silos, putting in place programs, regulations, and business processes without considering the requirements of other government agencies. Overlapping mandates and weak information systems hinder policy coordination across institutions at the center of government. Law 41 of 2008 empowered the Ministry of Public Administration (*Ministerio de Administración Pública*, MAP) to regulate institutional mandates and administration practices, established a merit-based career public service, and provided for a Public Administration Monitoring System (*Sistema de Monitoreo de la Administración Pública*, SISMAP). However, MAP has made limited progress in rationalizing the public administration and harmonizing practices. Between 2012-19 DR scored slightly below the LAC average on the Inter-American Development Bank's Civil Service Development Index, largely on account of inadequate workforce planning, limited management capacity, and the high proportion of politically appointed officials in senior positions. Civil servant career structures and remuneration make it difficult to contract and retain staff with scarce, marketable skills such as those with qualifications and experience in information technology, project management, and programming.

7. **DR is a highly centralized administration: local governments have limited functional mandates, resources, and capacity.** DR's sub-national government comprises thirty-one provinces and one national district, which in turn are subdivided into 158 municipalities and further sub-divided into 235 municipal districts. The number of municipalities has increased in recent years through the elevation of municipal districts to municipalities and municipal separations. Almost 60 percent of the municipalities and municipal districts have less than 10,000 inhabitants. This hinders the efficient provision of services and the development of management capacity. While successive governments have expressed their intention to strengthen local government and decentralize functions and resources, local government own-source revenues, functional mandates and transfers remain very limited. Local governments are responsible for only minor administrative services such as low risk environmental certificates. Most administrative services can only be accessed through institutions based in the National District. This significantly increases transaction costs for the 68 percent of the population living outside of the capital.

8. **Inefficient processes hinder the delivery of administrative services.** The total number of administrative services—encompassing identification, licenses, permits, and access to entitlements of physical services—in DR is unknown. There are at least five different catalogs or registers of administrative services in which the total number of services varies between 1,500 and 5,000. While the Constitution and the Law require public consultation prior to the approval of administrative acts such as regulations, plans and programs, a survey of DR's Regulatory Impact Assessment practices done by the Organization for Economic Co-operation and Development (OECD)² concluded that stakeholder

² See: <https://doi.org/10.1787/9789264264144-en>



engagement is not systematic and rarely informs regulation. Consequently, service users have little voice in the design, implementation, and monitoring of administrative services. Many services are unnecessarily complicated and most require manual and in person processing. This imposes significant costs on citizens and businesses in terms of time dealing with bureaucracy, travel costs, and operating delays. A 2019 study done by Mexico's National Commission for Regulatory Improvement (*Comisión Nacional de Mejora Regulatoria*, CONAMER) covering 1,873 administrative services provided by 43 public institutions estimated that it takes an average of 37 days to complete an administrative service and involves an average of ten public servants. Cumbersome processes waste time and resources for all users and contribute to administrative errors, irreconcilable data, and siloed data storage within the public sector.

9. **Few administrative services can be processed online, and use of online administrative services is limited.** DR ranks 81 out of 193 countries on the Online Services indicator of the 2022 United Nations (UN) e-Government Index which measures the scope of services available online. A Digital Government Network (*Red de Gobierno Electrónico de América Latina y el Caribe*, Red GEALC) survey of E-government Directors carried out in 2018 notes that only 14.5 percent of Government administrative services can be started and finished online in DR. Consequently, citizens and businesses must travel to public agencies, stand in queues in service centers, and often pay multiple visits to different agencies to collect and submit documents and make payments when accessing administrative services. The 2022 Household Survey (*Encuesta Nacional de Hogares de Propósitos Múltiples*, ENHOGAR) reveals that only 20 percent of internet users obtain information from or interact with public institutions online and 14 percent obtain services or make payments to government institutions online. The Government's Digitalization Strategy argues that the limited use of online services is largely due to lack of user-friendly design, requirements for in-person processing, poor mobile adaptability, and limited internet access among lower income and vulnerable groups.

10. **Some public institutions have developed service centers and one-stop-shops where users can seek assistance in completing administrative processes, but these solutions offer a limited range of services.** In 2012, the Government Office for Information and Communication Technology (*Oficina Gubernamental de Tecnologías de Información y Comunicación*, OG TIC) established the first Citizen Service Center (*Centro de Atención al Ciudadano*, CAC commonly referred to as *Punto GOB*). Puntos GOB sought to bring together various administrative service providers in a single location as a service "supermarket". There are now three Puntos GOB, all of them in Santo Domingo. Puntos GOB have proved very successful. From August 2020 to March 2022 Puntos GOB served 685,334 citizens, accessing 2,388,120 administrative services. Over 95 percent of users expressed satisfaction with the services provided. However, Puntos GOB offer just 65 services and these services are not integrated: users must engage with representatives of each institution to access the services that the institution offers. This lack of integration poses a significant challenge to the expansion in the range of services and geographical coverage. Various specialized one-stop shops have been established to reduce transactions costs for specific business services. However, these initiatives operate independently resulting in a fragmented business service structure.

11. **A number of initiatives have sought to drive a whole-of-government approach to administrative services but these have struggled to achieve scale.** CNC, created by Presidential Decree in November 2001, is mandated to strengthen the productive sectors to respond to the challenges of globalization and trade opening through transparent regulation and the simplification of procedures and services. However, CNC lacks the technical capacity needed to reengineer line agencies' business processes and lacks the authority needed to drive a coordinated, whole-of-government approach to administrative services. Another initiative led by the Ministry of Public Administration empowered by Presidential Decree 211 of 2010 made service charters— laying out minimum standards for all public services—compulsory for all public institutions. However, only 30 of more than 300 institutions complied and MAP's yearly review reveals that many of the charters that were adopted are no longer applicable or compliant with the Service Charter Guide.

12. **Recent legislation has strengthened the Ministry of Public Administration and established the organizational framework for a whole-of-government approach.** The August 2021 Law for Regulatory Improvement and Simplification of Services (*Mejora Regulatoria y Simplificación de Trámites*, Law 167-21) and its August 2022 regulation approved



through Decree 486-22, set out the procedures and rules that govern the provision of administrative services. An Inter-Ministerial Committee (*Comisión de Reforma y Modernización de la Administración Pública*, CRMAP), chaired by the Minister of Public Administration (MAP), oversees and leads the Public Administration Modernization Reform Program. Presidential Decree 149-21 designates MAP's office of the Vice-Ministry of Reform and Modernization (*Vice Ministerio de Reforma y Modernización*, MAP-VRM) as the entity responsible for implementation of the reform program, in coordination with the Presidency and the Inter-Ministerial Committee. A Vice-Ministry of Public Services (*Viceministerio de Servicios Públicos*, MAP-VMSP) is charged with setting standards for services and administrative procedures, guiding the process of administrative simplification and coordinating implementation across the whole of government.

13. **The Government's 2021 Public Administration Modernization Reform Plan (*Plan General de Reforma y Modernización de la Administración Pública*) seeks to strengthen institutional capacity for the design and implementation of public policies, increase the efficiency and improve quality of public services and thereby enhance trust and bridge the gap between citizens and institutions.** The proposed reform is ambitious, notably so for its whole-of-government and client-oriented approach, both of which will require significant changes in organizational culture. The Government intends to rationalize its administrative structure to clarify mandates, eliminate duplication of functions, strengthen whole-of-government coordination, and promote the integration and shared use of information systems. These institutional reforms will help simplify, streamline, and modernize business processes. Government agencies will engage with and empower citizens and businesses through the co-creation of service components and design of delivery modalities. Client consultation and user feedback will help monitor performance. This requires a significant change in organizational culture from a rule-bound bureaucracy, characterized by protected information and administrative silos, to a culture that is responsive to service users, transparent, problem-solving, and collaborative, where decision making is evidence-based.

14. **The Digital Agenda 2030 complements the Public Administration Modernization Reform Plan, laying out a strategy for the development of a whole-of-government foundational technology that will enable the delivery of faster, integrated, and secure digital services.** Decree 71-21 created the Digital Transformation Cabinet (*Gabinete de Transformación Digital*) which coordinates work across government. The Ministry of the Presidency will lead economy-wide Digital Agenda commitments such as regulations to expand the legal framework for the protection of personal data and efforts to improve cybersecurity capability. OGTIC, operating as a semiautonomous institution under MAP, supports the Ministry of the Presidency (through the Vice Ministry for the Digital Agenda, *Vice Ministerio de la Agenda Digital*) in coordinating the Digital Transformation Cabinet, providing technical assistance on the technological components of Digital Agenda projects. This includes the Digital Agenda Action Plan's 2021-2024 ambitious target of 90 percent of institutions having their services online by 2024. OGTIC launched a Citizen's Portal (*Portal Único de Atención Ciudadana: gob.do*) in October 2022 as a web-based platform that provides as a single point of interaction for users. OGTIC intends to structure digital public services around citizens' life events and business processes to deliver seamless services. Integrated solutions will allow better planning of government resources and agile execution of business processes for efficient service delivery. Enhanced cybersecurity will protect mission-critical systems and personal information. Mobile government services will facilitate access to digital services for the poor and marginalized. While these key technological components have been present in the digital government plans of various administrations, to date they are not available for use by public institutions in their digitization efforts, nor have they been incorporated into recent initiatives that OGTIC has supported.

Relationship to CPF

15. **The proposed project is aligned with the latest Country Partnership Framework (CPF) for FY22-26 discussed by the World Bank Board of Executive Directors on March 29, 2022 (Report No. 167896-DO).** The World Bank lending and non-lending program supports improvements in service delivery of key economic sectors as well as health, safety nets, and water. The CPF advocates a cross-portfolio approach to governance that addresses the underlying issue of "improving access to quality public service delivery" (CPF High Level Outcome 1). The proposed Project's focus on improving access,



efficiency, and responsiveness of selected administrative services is fully aligned with this CPF HLO. The proposed project complements planned and ongoing activities, notably World Bank projects in the education, social protection, and health sectors.

C. Proposed Development Objective(s)

16. The project development objective (PDO) is to improve the efficiency, accessibility, and responsiveness of selected administrative services for citizens and businesses.

Key Results (From PCN)

17. The following outcome indicators are proposed to measure PDO achievement:

- a) Time to complete selected public administration services (percentage improvement).
- b) Use of government services (number of users) of which female (percentage).
- c) User-informed design (percentage of services) of which design for female users and other vulnerable groups (percentage)

D. Concept Description

18. **The project will support the implementation of reforms to the delivery of administrative services for citizens and businesses.** The project will develop and strengthen foundational elements for modern and efficient administrative services to guarantee interoperability, transparency, and a focus on the needs of businesses and citizens. It will do so by setting common standards for the delivery of services by Government agencies, defining data registry requirements across public organizations, simplifying procedures, and promoting the use of digital government solutions. The Project is currently structured around four components.

19. **Component 1. Enabling environment for administrative services.** This component seeks to establish the technical, institutional, legal, and regulatory foundations for modern and efficient administrative services. Activities under this component include: (i) design a Service Delivery Strategy and its implementation roadmap that integrates all on-going initiatives into a single policy instrument which includes the definition of public service standards, quality management mechanism, and the citizen engagement model for improving services; (ii) review the different databases and catalogs of services, to integrate them into a Single Services Registry with the services information clearly visible and open to public scrutiny, and establish its administration, updating, and publication procedures; (iii) design and implement a standardized methodology for Sector Functional Reviews that assess the policy alignment and efficiency of organizational structures to identify the organizational reforms needed to strengthen service deliver; (iv) revise and adapt the technical and regulatory framework for the delivery of administrative services, issue guidelines for the Service Delivery Strategy, and work together with relevant institutions to develop cybersecurity standards for the digital government ecosystem; (v) define Green Information and Communication Technologies (ICT) approaches for sustainable digital government; (vi) review and update the ID authentication mechanism for public services and expand the use of the digital signature; and (vii) create the whole-of-government business continuity plan/disaster recovery plan for emergencies and climate-induced shocks.

20. **Component 2. Transparency and improved coordination across agencies.** This component seeks to modernize core public administration back-office operations to facilitate coordination, planning, and interoperability among Government agencies. Activities under this component include: (i) updating and strengthening the government Enterprise Architecture (EA) framework and the interoperability platform and standards for its deployment; (ii) introduction of a holistic Data Management Model, implementation roadmap, and tools to analyze usage and performance of services and delivery channels, including user feedback, to make government services more responsive and data-driven; (iii) review and update reusable software components based on open standards as ICT building blocks to accelerate the deployment of digital services, reduce unnecessary duplication of solutions, and provide a seamless



service delivery experience; (iv) improve capacity to measure the access, use, and satisfaction of public services, through joint efforts with relevant agencies and strengthening the Public Administration Reform and Modernization Observatory; and (v) establish the State administrative management architecture, and support the implementation of cross-cutting integrated solutions for government resource planning.

21. **Component 3: Modernization and innovation in service delivery.** This component seeks to engage citizens and businesses in the design of administrative services and delivery channels. Activities under this component include: (i) supporting the development and implementation of initiatives that encourage citizen engagement to improve public management and service delivery; (ii) establishing Service Delivery Labs where public officials collaborate with users and other stakeholders to reimagine service journeys and modeling services by categories, using business process reengineering tools and innovative approaches; (iii) introducing a simplified approach to digitizing services, using category patterns and building blocks to standardize services, and plan a phased rollout—from minimal viable products to end-to-end digitalized services; (iv) consolidation of the unified citizen portal (Gob.do), including the improvement of its technological infrastructure and the deployment of more and better features such as secure authentication for public services integrating different identification methods, the citizen’s portfolio with information and documents to be shared only once for the whole government, and a user feedback mechanism; (v) conducting a service channel assessment to improve user access to services introducing an omnichannel service delivery plan which should include low-cost in-person service delivery models that facilitates access for low-income and vulnerable groups, and in rural communities.

22. **Component 4: Capacity building and project management.** This component seeks to raise awareness and build capacity of all stakeholders to facilitate delivery and use of administrative services and delivery channels. Activities under this component include: (i) design and implementation of a communications strategy to raise awareness, motivate stakeholders to participate in the public administration reforms and promote citizens’ and businesses’ use of digital services; (ii) design and implementation of a capacity-building program for public officials, including local governments, to support public administration reforms and digitalization; (iii) design and implementation of a low-cost digital skills capacity-building program targeting potential service users; and (iv) project administration, evaluation, and audit.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

23. **The overall environmental and social risk rating is moderate.** Project activities are not expected to generate adverse significant environmental risks and impacts. The project will support the technical, institutional, legal, and regulatory capacities to improve efficiency and access to selected administrative services for citizens and businesses. The project will finance the procurement and installation of hardware such as IT equipment to support government systems and platforms. The project will not finance any type of civil works (new infrastructure or retrofitting works). Key environmental risks and impacts are related to the potential generation of electronic waste (e-waste) in case of the replacement of old electronics and occupational health and safety hazards for the workforce. Possible negative impacts are expected to be minor, site-specific, temporary, and fully reversible. The project will fund the hiring of fieldwork staff and supervisors, experts, and consultants to implement low-risk activities related to capacity building, technical, institutional, legal, and regulatory technical assistance (TA). To mitigate risks, the Terms of Reference (ToR), work plans



or other documents defining the scope and outputs of TA activities will be drafted so that the advice and other support provided is consistent with the Environmental and Social Framework (ESF) and Environmental and Social Standards (ESSs). A risk is that while the project will benefit many users who are currently forced to navigate through complex bureaucratic processes and physically visit different Government offices (mostly in urban centers) to access specific services, the improvement of digital services could lead to limiting access to public services for groups of population without access to Internet. Furthermore, there is an increase of demand for public services by migrants (mainly Haitian and Venezuelan) and there is a risk that irregular migrants may be (self)excluded due to fear of being expelled from the country if identified as irregular migrant. During project preparation how data security and safety can be addressed will be further explored and defined. Any type of automation or digitalization of products or processes might lead to the loss of current job positions; the magnitude of this risk will be further analyzed during project preparation and mitigation measures identified. The limited experience of the PIU (to be created) to manage social risks will be addressed by providing training to be delivered by the World Bank's E&S team.

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APPROVAL

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