

TC Document

I. Basic Information for TC

▪ Country/Region:	HAITI
▪ TC Name:	Strengthening the Foundations of the Digital Transformation of Public Management
▪ TC Number:	HA-T1315
▪ Team Leader/Members:	Mendieta Navarro, Claudia (IFD/ICS) Team Leader; Pareja Glass, Alejandro (IFD/ICS) Alternate Team Leader; Alejandra Aguilar (IFD/ICS); Etienne Salnave, Marise (VPC/FMP); Hugo Angel (ITE/IPS); Lafontant, Eugenie Regine (CID/CHA); Mariana Catano Jorgenson (IFD/ICS); Martinez, Ynty Koyllor (IFD/ICS); Nowersztern, Ariel (IFD/ICS); Pierre, Ghislaine Joseph (CID/CHA); Sara Vila Saintetienne (LEG/SGO)
▪ Taxonomy:	Operational Support
▪ Operation Supported by the TC:	HA-J0010.
▪ Date of TC Abstract authorization:	09 Nov 2023.
▪ Beneficiary:	Republic of Haiti
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 1 - Operational Capacity and Policy Dialogue for OC-concessional eligible countries(W1D)
▪ IDB Funding Requested:	US\$300,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	December 2023
▪ Types of consultants:	Individual consultants and firms
▪ Prepared by Unit:	IFD/ICS-Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	CID/CHA-Country Office Haiti
▪ TC included in Country Strategy (y/n):	Y
▪ TC included in CPD (y/n):	Y
▪ Alignment to the Update to the Institutional Strategy 2010-2023:	Institutional capacity and rule of law

II. Description of the Associated Loan/Guarantee

- 2.1 This TC will support the design and implementation of the Program to Strengthen the Foundations of the Digital Transformation of Public Management (HA-J0010). The program's general development objective is to strengthen the foundations of the digital transformation of public management, and its specific development objectives are: (i) Strengthening the public sector digital governance; (ii) Supporting the digital transformation of strategic transversal public management functions of the Ministry of Economy and Finance (MEF); and (iii) Supporting the development of national cybersecurity capacity. The TC will provide key inputs for the preparation and implementation of the program HA-J0010 as it will inform the assessment of digital transformation gaps and the strategy to address them, including gaps critical for the digital transformation of the MEF management systems.

- 2.2 This TC will also support, complement and leverage the Program to Strengthen Public Management to Improve Service Delivery in Haiti (4820/GR-HA, 4820/GR-HA-1, 4820/GR-HA-2), whose objective is to enhance the effectiveness, efficiency and transparency of human resources and salaries management to improve service delivery¹, with the MEF as the executing agency in its role of owner of the reforms promoted by the program and the actor leading their implementation and institutionalization. Component 2 of the Program to Strengthen Public Management fosters the digital transformation of the MEF administrative and financial management systems with focus on civil service Human Resources Management (HRM). Thus, this TC will contribute to leverage and scale up the Program to Strengthen Public Management innovations.

III. Objectives and Justification of the TC

- 3.1 **The general objective** of this TC is to contribute to strengthen the foundations of the digital transformation of public management in Haiti. To do so, the specific objectives of the project are to (i) strengthen the country's digital transformation strategy and governance, and (ii) support the digital transformation of strategic transversal public management functions of the MEF.
- 3.2 **Justification.** The digital transformation of public management is key to improve the efficiency, quality, and inclusiveness of services to citizens and firms, public sector transparency and integrity, and overall government effectiveness. And this is especially important for Haiti's Fragility, Conflict, and Violence (FCV) context, as digital government could help provide a tailored response to this particular context and play a crucial role to improve service delivery and inclusion, strengthen governance, and boost resilience. The country's inability to leverage digital government exacerbates the challenges it faces in its FCV context, with a public sector characterized by extremely weak institutional capacity compounded by pervasive usage of paper transactions and in-person interactions, causing ineffective policy implementation and service delivery, enormous inefficiencies, and a drain of public resources.
- 3.3 Haiti presents severe shortcomings in all the digital transformation enablers that are crucial to foster and leverage digital government: digital governance and institutions, regulatory framework, digital talent, and digital infrastructure and tools. The lack of this digital transformation enabling framework prevents Haiti from developing this agenda in a coherent, sustained, and inclusive way, therefore affecting its ability to leverage digital transformation as a fundamental means to contribute to achieve the country's governance, growth and inclusion goals.
- 3.4 In 2022 Haiti ranked 187 (of a total of 193 countries) in the UN e-government index², below countries such as Nicaragua (130) and Belize (133), and only above countries such as Central African Republic (191) and Somalia (192). Compared to 2008, when Haiti ranked 165, the country shows an important decrease; in the period 2003-2022, its average score (176) is the ninth lowest in the world. This indicates deficiencies in

¹ HA-L1131 has three components: (i) strengthening wage bill control and efficiency through a payroll audit and the design of a retirement program (Component 1); (ii) enhancing efficiency through the implementation and use of digital technologies in administrative and financial management systems, with focus on civil service human resources management systems (Component 2); and (iii) improving effectiveness and efficiency of human resources in the MEF and line ministries through the implementation of a retirement program (Component 3).

² UN e-Government Knowledgebase: [Data Center \(un.org\)](https://datacenter.un.org/).

quantity and quality of government online services (where the country ranks 189 in 2022), e-participation (182), human capacity (175), and connectivity (164).

- 3.5 Haiti's digital governance is weak, with pervasive low institutional capacity and overlapping roles. The Statistics and Information Technology Institute (IHSI) has the mandate of coordinating the country's digital transformation policy and efforts. But the e-Governance Unit of the Office of the Prime Minister (*Unité E-Gouvernance de la Primature*) also has the mandate to orient the digital transformation policy and approve/validate all public sector initiatives in this regard. The National Telecommunications Council (CONATEL) also plays an important role as the regulator of digital connectivity infrastructure. Another important actor is the MEF Information Systems Directorate (DSI) as it is leading key digital transformation initiatives in the MEF which will impact the broad public administration. All these agencies and units present very low technical and operational capacity, limiting severely their effectiveness and their efforts to jointly address issues. Thus, the country lacks a sound digital governance architecture, where roles of public agencies responsible for digital transformation policy are clearly defined, and coordination and accountability mechanisms are impactful. Haiti also lacks a national digital transformation strategy/agenda and sectoral digital transformation strategies. And the digital transformation regulatory framework is scarce, inadequate, and outdated. The decree stating the IHSI mandate (Council of Ministers, June 10, 2020) provides a case in point since it reflects the issues of overlapping roles and lack of coordination and accountability mechanisms.
- 3.6 Digital talent is also a challenge. There are low digital skills among citizens, workforce, firms, and public sector employees. The country is ranked 127 out of 141 countries on ICT adoption³, reflecting the compounding issues of low digital skills (from digital literacy to advanced skills) and underdeveloped ICT sector and digital innovation ecosystem.
- 3.7 Regarding digital infrastructure and tools, just 35% of the population used internet in 2020 (compared to a regional average of 78%)⁴, reflecting connectivity issues in terms of access, quality and affordability, which are compounded by deficient access to electricity. Connectivity issues are in turn due, among others, to an inadequate regulatory framework that does not foster a competitive digital infrastructure and services market, also limiting public-private arrangements to invest in the sector⁵. The country lacks a cybersecurity national strategy and regulatory framework, with neither legislation on cybercrime nor on data protection and privacy. Haiti also lacks cybersecurity operational and technical capacity with no National Cybersecurity Incident Response Team (CSIRT) established⁶. This is reflected in a low national cybersecurity capacity maturity, with a Global Cybersecurity Index of 167 (of a total of 182 countries) in 2020⁷, ranking below countries such as Belize (159) and Nicaragua (165). Haiti also presents a widespread lack of other technological enablers for the digital transformation of the public and the private sector, including digital identity,

³ WEF (2019). [The Global Competitiveness Report](https://www.weforum.org/reports?year=2019).<https://www.weforum.org/reports?year=2019>

⁴ World Bank (2023). [Individuals using the Internet \(% of population\) - Haiti](#); World Bank (2016). [Modern, Open and Innovative: The Challenges of new Technologies in Haiti](#).<https://www.weforum.org/reports?year=2019>

⁵ World Bank "Haiti Digital Acceleration Project" (P171976), also known as HDAP project.

⁶ IDB and OAS (2020). [2020 Cybersecurity Report: Risks, Progress, and the Way Forward in Latin America and the Caribbean](#).

⁷ ITU Global Cybersecurity Index: [Global Cybersecurity Index \(itu.int\)](#).<https://www.weforum.org/reports?year=2019>.

digital signature, digital document management, data governance, interoperability, digital payments, online services single portal, and cloud, among other key digital tools.

- 3.8 The MEF is at the heart of the country's Center of Government (COG) and public administration. The MEF is responsible for strategic transversal public management functions, that have an impact across all government sectors, levels and agencies, such as policy prioritization in line with the whole-of-government priorities; alignment of plans and resources to achieve expected results; coordination of stakeholders involved in their delivery at the horizontal (sectorial) and vertical (national and subnational) levels; management of policy and program quality (progress monitoring and support to address obstacles); and management of expenditure quality.
- 3.9 However, the MEF lacks the digital infrastructure and tools that are key technological enablers for the digitalization and automation of processes and transactions that underly these strategic transversal public management functions. Thus, the MEF operation -like the rest of the public administration- is characterized by inefficient and ineffective paper transactions and in-person interactions. Payroll management is an emblematic reflection of this, with about 80% of permanent public sector employees being paid through check issuance and in-person check collection. In 2022, the annual cost of permanent employees' payroll payment (i.e., processes and transportation costs) was estimated to be approximately US\$846,000 or 0.12% of the payroll. Furthermore, the MEF -like all public sector institutions- suffers from acute brain drain due to the country's FCV context, exacerbating the weaknesses of its management systems. Hybrid -in office and remote- work is an innovation the MEF is contemplating, and there is some level of hybrid work already in place as a consequence of the FCV and post-Covid-19 context. However, the MEF (and the entire public administration) lacks the regulatory, technological infrastructure, and digital talent environment to enable and leverage hybrid work.
- 3.10 Government initiatives to address these digital transformation gaps include strengthening the role of the IHSI and CONATEL, as well as joint efforts with the support of the IDB through the Program to Strengthen Public Management (in implementation and reformulated in November 2022), and other donors such as the World Bank's Digital Acceleration project (HDAP). In this context, the government's goal of boosting these efforts is reflected in their request of the new program HA-J0010 and this supporting TC.
- 3.11 **Beneficiaries.** This project will benefit (i) the citizens of Haiti by allowing more efficiency, quality and inclusiveness of public services; (ii) firms operating in the country by improving public service delivery to firms; and (iii) MEF deconcentrated services, sector ministries, and the central bank (BRH) by deploying key, crosscutting technological enablers for the digitalization and automation of processes and transactions that can be shared and scaled up with said public agencies.
- 3.12 **Strategic Alignment.** The project is aligned with the Update to the Institutional Strategy 2020-2023 (AB-3190-2), particularly to the cross-cutting issue of Institutional Capacity and Rule of Law: As it fosters the digital transformation of public management, the project will contribute to build state institutional capacity for effective policy design and implementation, and efficient, quality and inclusive service delivery to citizens and firms, thus strengthening overall government effectiveness. Digital government will also improve public sector transparency and integrity, thus strengthening the country's rule of law and governance. Likewise, it is aligned with the

Productivity and Innovation challenge, as it fosters leveraging digital technologies to improve public service delivery quality, increase productivity of public sector institutions, and promote technological innovation.

- 3.13 The project is aligned with the IDB Group Country Strategy with Haiti 2017-2021 (GN-2904), particularly with the strategic area of Strengthening government capacity to increase fiscal sustainability, its strategic objective of Modernization of government organizations to enhance public sector management, and its expected result of Increasing government effectiveness. The project is aligned to the IDB Group Corporate Results Framework (GN-2727-12), through the indicator “Agencies with strengthened digital technology and managerial capacity”. It will also contribute to the objectives of the Strategic Development Program financed with Ordinary Capital - OC SDP (GN-3137), and specifically its Window 1 Core Commitment 4 – Operational Capacity and Policy Dialogue for OC concessional Eligible Countries (W1D), as it provides technical expertise to support the design and execution of program HA-J0010.

IV. Description of activities/components and budget

- 4.1 **Component 1. Strengthening the country’s digital transformation strategy and governance (US\$100,000).** The objective of this component is to support digital transformation enablers gap assessments and strategies to address gaps. This component will have the following outputs: (1.1) analysis of digital transformation gaps and proposal of roadmap, addressing dimensions such as (i) organizational and technical capabilities of public agencies responsible for digital transformation policy⁸, and optimal digital governance architecture (including the identification of the institution best suited for the role of national digital government agency), (ii) regulatory framework, (iii) digital talent, and (iv) digital infrastructure and tools; (1.2) gap assessment and roadmap to build national capacity to monitor, detect, and respond to cybersecurity incidents; and (1.3) knowledge dissemination events (in Haiti and virtually).
- 4.2 These outputs will directly inform the design and implementation of HA-J0010 Component 1 - Strengthening of Public Sector Digital Governance, and Component 3 - Supporting the Development of National Cybersecurity Capacity.
- 4.3 **Component 2. Supporting the digital transformation of strategic transversal public management functions of the MEF (US\$200,000).** The objective of this component is to provide technical expertise to support the digital transformation of MEF management systems. This component will have the following outputs: (2.1) gap assessment of MEF digital infrastructure and shared, crosscutting services; and (2.2) technical assistance to support digital transformation of MEF management systems, including support to: assessment of functional needs, design of digital solutions, design of solutions architecture, definition of technological specifications of solutions architecture, procurement of digital solutions, piloting and validation of solutions, production and operation of solutions, competence transfer of solutions operation and maintenance to relevant government actors, audit of solutions quality, etc.

⁸ This can include agencies such as the Statistics and Information Technology Institute (IHSI), the e-Governance Unit of the Office of the Prime Minister (*Unité E-Gouvernance de la Primature*), and the National Telecommunications Council (CONATEL).

- 4.4 These outputs will directly inform the design and implementation of HA-J0010 Component 2 - Supporting the Digital Transformation of MEF Strategic Transversal Public Management Functions, with focus on its activities to foster MEF digital infrastructure, digital document management, digital signature, digital payments, and hybrid -in office and remote- work environment.
- 4.5 All knowledge products derived from this TC will be the Bank's intellectual property.
- 4.6 **Budget.** The total funding of this TC is US\$ 300,000 financed by IDB's Ordinary Capital Strategic Development Program, particularly Window 1 - Operational Capacity and Policy Dialogue for OC, Concessional eligible countries (W1D). There will be no local contribution. The budget details are provided in Table No. 1.

Indicative Budget

Activity/ Component	Description	Total Funding (IDB) (US\$)
Component I	Strengthening the country's digital transformation strategy and governance	100,000
Component II	Supporting the digital transformation of strategic transversal public management functions of the Ministry of Economy and Finance	200,000
Total		300,000

V. Executing agency and execution structure

- 5.1 The beneficiary country has requested that this TC be executed by the IDB. Thus, the executing agency will be the IDB, through the Innovation in Citizen Services Division (IFD/ICS). IFD/ICS has a long track record in supporting Latin American and Caribbean countries' digital government reforms, and Haiti's public sector management. Experience in Haiti includes the implementation of programs such as Support to Public Sector Human Resources Management (1821/SF-HA, 2396/GR-HA, closed), and Strengthen Public Management to Improve Service Delivery in Haiti (4820/GR-HA, 4820/GR-HA-1, 4820/GR-HA-2, active). These provisions are consistent with OP-619-4, Annex II, paragraph (c).
- 5.2 The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with Bank's current procurement policies and procedures: Recruitment of individual consultants, AM-650; Contracting of consulting firms for services of an intellectual nature, GN-2765-4, and its operational guidelines OP-1155-4; and Procurement of logistics services and purchase of goods, GN-2303-28.
- 5.3 Monitoring. In accordance with the Technical Cooperation Monitoring and Reporting System (OP-1385-4), the TC team leader will be responsible for supervising and monitoring the appropriate execution of the TC, with support from the operations analyst based in the country office.

VI. Major issues

- 6.1 The main risks identified are: (i) limited appropriability of policy recommendations, digital solutions, and capacity building mechanisms fostered by this project due to the MEF and national digital government agency's high turnover of managerial cadre. This risk will be mitigated by ensuring participation of middle managers and technical

personnel of all relevant units of the MEF and the national digital government agency, as well as technical and managerial champions, to foster country's ownership and appropriation of project results and sustainability of the capacity building strategy; and (ii) limited coordination among and within key public sector stakeholders affecting the implementation of recommendations. This risk will be mitigated by leveraging the MEF Project Management Committee as a key governance, coordination, and appropriation body.

VII. Exceptions to Bank policy

- 7.1 No exceptions to Bank policy are envisioned.

VIII. Environmental and Social Aspects

- 8.1 This TC will not finance feasibility or pre-feasibility studies of investment projects with associated environmental and social studies; therefore, it is excluded from the scope of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client_63975.pdf](#)

[Results Matrix_41666.pdf](#)

[Terms of Reference_68425.pdf](#)

[Procurement Plan_27684.pdf](#)