



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 18-Oct-2023 | Report No: PIDA36819

**BASIC INFORMATION****A. Basic Project Data**

Country Honduras	Project ID P181324	Project Name Strengthening Honduras' National Civil Registry and Identification Ecosystem	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 20-Oct-2023	Estimated Board Date 18-Dec-2023	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Republic of Honduras	Implementing Agency National Registry of Persons	

Proposed Development Objective(s)

To strengthen Honduras's national civil registry and ID ecosystem by improving the birth registration process and identification of minors and enabling access of all individuals to public and private services.

Components

Improvement of civil registration and minor's identification coverage
Modernizing civil registration and digital identification services
Strengthening the institutional capacity of the National Registry of Persons

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 Development Association (IDA)	40.00
IDA Credit	40.00



Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

- Poverty reduction has been stagnant, and Honduras remains one of the most unequal countries in the region.** In 2019 approximately 48 percent of Hondurans were moderate poor, and 25 percent lived in extreme poverty. Poverty increased in 2020 because of the pandemic and tropical storms Eta and Iota. The poverty rate is estimated to have reached 52 percent in 2022. While a countercyclical fiscal policy response and social assistance programs contributed to cushion the external shocks, its mitigation effect was limited by the low coverage of the programs. High malnutrition and unequal access to basic services are key barriers for human capital formation as argued by the World Bank's 2022 Systematic Country Diagnostic Update. School enrollment trails that of regional peers despite improvements in primary education. Similarly, although Honduras has a relatively good coverage of some primary care services, declines in vaccination rates and disruptions in key maternal and child services remain key challenges.
- Slower growth and persistent inflation will likely curb progress in poverty and inequality reduction in the medium term.** Real GDP growth averaged 3.1 percent over the past decade, driven by remittance-fueled private consumption. Honduras lacks productive capacity, and its exports have been insufficient to boost incomes and growth, particularly in rural areas. Exports are highly concentrated in agricultural commodities and low-value manufactured goods, destined for the U.S. Strong domestic demand, pandemic-related global supply-chain disruptions, and a commodity price spike following Russia's invasion of Ukraine caused high inflation. Real GDP growth is projected to decelerate to 3.5 percent in 2023 given lower growth among trading partners and persistent inflationary pressures.
- Honduras is severely vulnerable to climate change.** The nation's geographical location makes it susceptible to extreme weather events, including hurricanes, floods, and droughts, which present substantial risks to the country's infrastructure, the continuation of government operations and service delivery, and affect the most vulnerable populations. Strengthening the National Identification System (SIN) and the National Registry of Persons resilience is critical to enable access to vital records and services and operationalize the government's response. Honduras also needs to invest in climate-resilient digital infrastructure and enhance cybersecurity measures to ensure the continuous operation and security of critical digital services in the face of rising temperatures and changing weather patterns.

Sectoral and Institutional Context

- The Honduran legal framework recognizes identity as a fundamental right.** The Constitution mandates that all Hondurans are be registered in the National Registry of Persons (RNP), which manages the ID and civil registry system. The right of minors to an identity is protected by the Childhood and Adolescence Code, which requires parents to register newborns with the RNP. Additionally, ID cards are currently only issued to individuals aged 18 and above, while minors can only obtain a birth registration certificate.



5. **Under-registration of births and lack of ID document affects the exercise of rights** While the under-registration of birth affects 3% of children aged 0 to 8 years old, the percentage of individuals aged 15 and above without an ID increased in Honduras to 7.2%. Hondurans who are not duly registered are unable to benefit from public and private sector services as the lack of ID documents or problems with civil registration is a key barrier to access benefits from social programs and open accounts with financial institutions. Similarly, the lack of identity documents increases the vulnerability of migrant children.

6. **The Government of Honduras has made efforts to ensure timely registry and the right to an identity, but important challenges remain.** Between 2020 and 2022, the National Register of Persons (RNP) implemented the *Identificate* project which sought to strengthen the reliability of the foundational ID database. The project comprised the enrollment of over 5.5 million individuals aged 17 and the issuance of new ID cards. However, minors (0-17) were not part of this initiative and are required to use their birth registration certificates to access public and private services. According to 2019 UNICEF data,¹ under registration of birth on children under 1 year old is 13 percent, which lags significantly behind neighboring countries such as Costa Rica and El Salvador. Although the RNP has also improved the National Identification system (SIN) it lacks a strategic service model to serve as a key foundational platform to facilitate access to services.

7. **Honduras has also a fragmented legal and regulatory framework for personal data protection that needs to be strengthened.** While Honduras lacks a personal data protection law, there are provisions to safeguard privacy and personal data in both the Constitution and sectoral laws. The law on Transparency and Access to Information provides guidelines for data collection and access to personal information. Upgrading data infrastructure, enhancing cybersecurity capabilities, and addressing gaps in the regulatory framework for personal data protection and cybersecurity are important challenges for the RNP.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

8. **To strengthen Honduras's national civil registry and ID ecosystem by improving the birth registration process and identification of minors and enabling access of all individuals to public and private services.**

Key Results

9. The following outcome indicators are proposed to measure PDO achievement:
- a) Children between 0 and 6 months of age whose births have been registered (percentage)
 - b) Population between 6 and 17 years old issued with the new identification card (number)
 - girls in rural areas between 6 and 17 years old issued with the new identification card (percentage)
 - c) Increase in the ID verification and authentication transactions provided by the RNP (number)
 - Verification and authentication transactions provided to the public sector (number)
 - Verification and authentication transactions provided to the private sector (number)

¹ Multiple Indicator Cluster Surveys.



D. Project Description

10. **The operation is an Investment Project Financing (IPF) with a three-year implementation timeline.** The project has two main dimensions: (i) Strengthening the Honduras's civil registry and ID ecosystem by supporting the expansion of the coverage; and (ii) Facilitating access to private and public services.

11. **The project is comprised by three components:** *Component 1: Improving the civil registration and minors' identification coverage* supports the implementation of strategies to improve the registry of newborns at the place of birth and the automatization of the birth registry process, in addition to expand the identification system with the enrollment of all the population aged between 6 and 17 years of age in the national identity system; *Component 2: Modernizing civil registration and digital identification service* involves the consolidation of the National Identification System (SIN) to enable the provision of ID verification and authentication services for public and private third parties and individuals; and, *Component 3: Strengthening the institutional capacity of the National Registry of Persons* supports institutional capacity building, including the regulatory and operational framework, and the design and implement comprehensive communication strategies targeting key stakeholders to increase awareness on the importance of enrollment and timely registry of vital events.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Areas OP 7.60

No

Summary of Assessment of Environmental and Social Risks and Impacts

12. **The Environmental and Social Risk Classification for this project is moderate, with the environmental and social risk rating both being moderate.** The relevant ESF Standards are ESS 1, 2, 3, 4, 7, and 10. The Project will not finance any civil works (neither new infrastructure nor retrofitting works). The key environmental risks and impacts are related to the generation of waste (particularly from the printing and plastification process of IDs), electronic waste (e-waste) as old electronics will be replaced, and also potential occupational health and safety hazards for the workforce. Potential negative impacts are expected to be negligible or minor, site-specific, temporary, and fully reversible. The Project is expected to have mostly positive social impacts, in particular for groups currently excluded from registration processes and identification documentation. There is also an opportunity to increase access of People with Disabilities (PwD) to the national identification ecosystem in general. The key social risks include the limited capacity to reach certain stakeholders, such as IPAHs and rural households in remote areas, female heads of households, and migrants (including minors, internally displaced persons, asylum seekers, refugees). An omnichannel service model for civil registry and identification services is foreseen but needs to be further adapted to the specific requirements of vulnerable groups and IPAHs. The Project will finance mobile brigades, these and national, municipal and auxiliary civil registry RNP and partner institutions staff at the Health and Education Secretariats serving as enrollment agents, will directly engage with stakeholders, including school-aged children resulting in SEA/SH risks; furthermore, these Brigades are accompanied by security personnel. The POM will include a specific protocol for security forces, as well as for the conduct of mobile brigades, and all personnel serving as enrollment agents, for when engaging with stakeholders, especially schools-aged children (boys and girls) to mitigate for the potential risks of SEA/SH of the proposed activities under the Project



E. Implementation

Institutional and Implementation Arrangements

13. **The project will be implemented over a three-year period by the RNP.** The RNP will host a Project Implementation Unit (PIU) within its organizational structure, which will be supported by consultants as needed. The PIU would be comprised by a project coordinator which will be responsible for day-to-day project management. The PIU will also conduct the financial management and monitoring and evaluation (M&E) functions with an M&E and a financial management specialist to strengthen RNP's capabilities, including the preparation of technical and financial monitoring reports required by the World Bank. The PIU will also include an environmental and social specialist for environmental and social risks management. As for the procurement function, this will be mainly performed by a fiduciary agent given RNP's limited procurement expertise and experience working with World Bank procurement requirements. However, the PIU will also have a procurement specialist to perform low-risk processes and prepare the World Bank's procurement reporting requirements. The project Operations Manual (POM) will detail the processes and procedures to be followed by RNP (as PIU) and the fiduciary agent.

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APPROVAL

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