



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 01-Sep-2023 | Report No: PIDC36632

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

Country Honduras	Project ID P181324	Parent Project ID (if any)	Project Name Strengthening Honduras' National Identification Ecosystem (P181324)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Oct 17, 2023	Estimated Board Date Dec 18, 2023	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Republic of Honduras	Implementing Agency National Persons Registry	

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to strengthen Honduras's national civil registry and ID ecosystem to facilitate access of all individuals to public and private services.

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

Concept Review Decision



Low

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. 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.

2. 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.

Sectoral and Institutional Context

3. The Government of Honduras has made efforts to ensure timely registry and the right to an identity. 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.

4. Under-registration of births and lack of an 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.



5. The Government of Honduras has made efforts to ensure timely registry and the right to an identity, but important challenges remain. 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. The digital infrastructure and enabling regulatory environment supporting the SIN also needs to be strengthened.

6. A robust identification system is needed to facilitate access of individuals to public and private services. Honduras's RNP faces several weaknesses including the lack of universal coverage, difficult access to documentation, vulnerability to identity theft, and poor institutional capacity. By enhancing the identification system to include minors and ensure registration at birth, this segment of the population can access fundamental services.

Relationship to CPF

7. The proposed project is aligned with the FY23-FY27 Country Partnership Framework (Report No. 178920-HN) dated October 19, 2022. The operation supports the CPF's High Level Objective (HLO): *HLO-1, Improved Human Development*, Objectives 1, 2 and 3, by supporting the development of a national identification system that improves the access of citizens to (i) social protection mechanisms, including the World Bank-supported CCT program, which relies on a beneficiary registry to identify the poorest households; (ii) education, through the incentivization of school enrollment; (iii) health services by addressing gender disparities in the use of medical services, which improves inclusion. The proposed project also supports *HLO-2, Inclusive Economic Development and Job Creation*, Objective 6- Increased Access to Finance, by facilitating digital identification of smallholder farmers, and women-and-minority-led businesses to access financial services.

C. Proposed Development Objective(s)

8. The proposed Project Development Objective (PDO) is to strengthen Honduras's national civil registry and ID ecosystem to facilitate access of all individuals to public and private services.

Key Results (From PCN)

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

- Birth registration coverage of children aged 0 to 6 months, disaggregated by rural areas and gender (percentage)
- Population between 6 and 17 years old issued with the new identification card, disaggregated by gender (percentage)
- ID verification and authentication provided to public and private institutions (number)

D. Concept Description

10. The project will achieve its objective through three main components: (i) Improving the civil registration and minors' identification coverage, aimed at supporting the implementation of strategies to register newborns

¹ Multiple Indicator Cluster Surveys.



at the place of birth, the automation of civil registry processes, and the enrollment of all the population aged between 6 and 17 years of age in the national identity system; (ii) *Modernizing civil registration and digital identification services*, which comprises support to strengthen the National Identification System (SIN) interoperability, improve privacy, cybersecurity, including the technological infrastructure needed; and (iii) *strengthening the institutional capacity of the National Registry of Persons (RNP)* to manage the civil registry and identification ecosystem, including support to the design and implementation of comprehensive communication strategies targeting key stakeholders, in addition to the strengthening the regulatory and governance framework of the ID and civil registry ecosystem.

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	

11. At this stage both environmental and social risk ratings for the Project are considered low. The Project will not finance any civil works (neither new infrastructure nor retrofitting works). Based on available information known at this stage, environmental risks and impacts are related to potential generation of small amounts of waste which may potentially include electronic waste (e-waste) in case old electronics are replaced and occupational health and safety hazards for the workforce (to be confirmed during preparation). Potential negative impacts are expected to be negligible or minor, site-specific, temporary, and fully reversible. The Project is expected to have mostly positive, 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 identified at this stage 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 municipal, 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. The POM will include a specific protocol for the behavior of mobile brigades, municipal, RNP and partner institutions staff at the Health and Education Secretariats 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.

12. At this stage the relevant ESF Standards are ESS1, 2, 3, 4, 7, and 10. The staffing of the PIU will include one (1) fulltime dedicated Environmental and Social specialist in order to ensure adequate management of E&S risks. The Borrower will prepare and disclose a draft ESCP prior to Appraisal. The ESCP will include commitments related to the (i) Relevant elements of SEP, (ii) Strengthening, maintaining and monitoring a project grievance mechanism during project implementation, (iii) Developing, maintaining and monitoring a separate grievance



mechanism for project workers, (iv) Presentation of reports on stakeholder consultation and engagement activities in each bi-annual report on E&S management and ESCP implementation, (v) Provision of ESF-related training to project workers and stakeholders as relevant, including on SEA/SH, workers' codes of conduct and grievance mechanisms, (vi) OSH requirements, and (vii) Waste management requirements. Additionally, relevant ESSs requirements will be addressed in the POM. Furthermore, the Borrower will prepare and disclose a Consultation Plan with required adaptations for IPAHS, including a Report on consultations carried out during preparation.

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APPROVAL

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