



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 11-Dec-2018 | Report No: PIDISDSC24892



BASIC INFORMATION

A. Basic Project Data

Country Grenada	Project ID P167588	Parent Project ID (if any)	Project Name Grenada Digital Governance for Resilience (P167588)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Feb 18, 2019	Estimated Board Date May 28, 2019	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Government of Grenada	Implementing Agency Ministry of Finance	

Proposed Development Objective(s)

To enhance the delivery of selected public services and fortify government resiliency by modernizing Grenada's public sector management systems through digital platforms and institutional reform.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	15.00
Total Financing	15.00
of which IBRD/IDA	15.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	15.00
IDA Credit	15.00

Environmental and Social Risk Classification
Moderate

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



Other Decision (as needed)

B. Introduction and Context

Country Context

Grenada is a small, open island economy of approximately 110,000 inhabitants. The country is highly vulnerable to weather events, volatile terms of trade, and economic downturns in external markets that impact tourism and foreign direct investment. These factors reinforce each other: as economic activity diminishes in the aftermath of a natural disaster, the cost of reconstruction imposes a direct fiscal burden, which limits budgets available for long-term investments in human capital, resilience and economic growth.

Sound macroeconomic and structural policies have put Grenada on a path toward fiscal resilience to exogenous shocks since 2012. In 2013, with the support of the World Bank (WB), the International Monetary Fund (IMF) and the Caribbean Development Bank (CDB), the Government of Grenada (GOG) launched the Homegrown Structural Adjustment Program (HSAP). Economic growth rebounded subsequently, averaging 5.5 percent since 2014. A strengthening economy, strong fiscal discipline, and successful debt restructuring have led to a reduction of nearly 30 percentage points in the country's public debt to GDP ratio since 2014, to 71.0 percent in 2017.¹

Sustaining economic growth and development in Grenada will require the country to improve its productivity and competitiveness in key sectors by adapting to the digital era. It will also require the country to build fiscal, financial, environmental, socio-economic, and institutional resilience that is necessary for adapting to climate change. The implementation of measures to shield activities in key economic sectors against weather risks has been weak, reinforcing the need to continue investing in improving the resiliency of key economic sectors as well as the governance mechanisms that underpin public sector management across these sectors.

Sectoral and Institutional Context

The primary challenge facing the public sector in Grenada is to improve public sector productivity in an evolving environment characterized by macroeconomic uncertainty, rapid social change and technological innovation. These challenges are compounded by the complete and recurrent loss of public sector functionality and administrative data in the aftermath of natural disasters, which limits not only the ability of the government to respond to emergencies but also its capacity to leverage public sector machinery to facilitate rapid and resilient recovery and reconstruction.

Current efforts by GOG to facilitate the evolution of a digital economy and ecosystem have been hampered by the lack of core foundational infrastructure and processes, including such systems as identity management, electronic payments, recognition and validity of electronic records and organized, systematic and open access to spatial, anonymized and other

¹ Source: Government of Grenada, Eastern Caribbean Central Bank.



non-confidential data. The identity management system in Grenada is fragmented and complex, with multiple identity systems such as the births and deaths registry, the electoral card system and the passport issuance platform, none of which interface with each other or are interoperable. This fragmented network of systems does not support the creation of platforms that would enable citizens and businesses to interact virtually with the public sector, and significantly limits the spectrum of public services that could be provided electronically if an integrated approach were available.

To address these challenges and continue on the path toward inclusive growth, the government's efforts are concentrated around two pillars: (i) implementing the remaining structural reforms to boost growth and competitiveness, including operationalizing the Public Service Management Reform Strategy (PSMRS) and the Public Finance Management Act of 2015, both outcomes of HSAP; and (ii) undertaking critical investments to facilitate private sector growth and job creation, including physical infrastructure and ICT development to improve public sector service delivery.

Relationship to CPF

The proposed operation is fully aligned with the current World Bank-OECS Regional Partnership Strategy (RPS) for the period FY15-20 and the subsequent Peer Learning Review of the RPS conducted in May 2018. The RPS is consistent with the holistic approach adopted by the OECS Governments to tackle the longstanding issues of low growth and debt sustainability, through country specific solutions along two areas of engagement: (i) fostering conditions for growth and competitiveness, and (ii) enhancing resilience. The proposed project will support both areas of the RPS by enhancing the delivery of selected public services and fortify government resiliency by modernizing Grenada's public sector management systems through digital technologies and institutional reform.

C. Proposed Development Objective(s)

To enhance the delivery of selected public services and fortify government resiliency by modernizing Grenada's public sector management systems through digital platforms and institutional reform.

Key Results (From PCN)

Progress towards the achievement of the PDO would be assessed using the following results indicators (the proposed indicators will be refined during project preparation):

1. Increased sharing of data and ICT resources across agencies
2. Availability and use of integrated e-services by citizens and businesses
3. Reduction in time and cost for citizens/businesses in selected services provided by the government (in hours/days)
4. Impact of Change Management activities as assessed through the Change Readiness Index
5. Ratings of citizen satisfaction for selected public services

D. Concept Description

The proposed project will aim to build a smart, resilient government that adopts a whole-of-government approach to implementing critical public policies and increasing the efficiency of public service delivery by 1) modernizing public service management; 2) leveraging digital infrastructure and platforms to deliver resilient, integrated services to citizens and promote sectoral transformation; and 3) forging inclusive strategic partnerships to promote change and build capacity to



forge a data-driven culture in the public sector.

Building on lessons learned from other World Bank operations and recent experiences², the project will focus on developing the institutional efficiency and resilience of key aspects public sector administration that drive the growth of a digital economy and ensure government continuity. The operation will complement the digital infrastructure deployed under CARCIP and develop digital government platforms that improve government productivity and accountability, enhance social inclusiveness, and forge partnerships across the public sector, the private sector, and civil society. It will advocate, where appropriate, the use of disruptive technologies across policy areas and levels of government with a focus on supporting government continuity and climate adaptation, develop citizen-centric public services, promote a data-driven culture in the public sector. To achieve these outcomes, the project will be implemented in a phased approach that is aligned with the GOG's Digital Government Strategy, Government Continuity Plan, Smart City Strategy, all of which are currently under development. The operation will follow a demand-driven approach in which citizens and businesses partner with the government to determine critical service delivery needs and improvements.

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

² Uruguay Improving Service Delivery to Citizens and Businesses through e-Government Project (P161989), the Argentina Modernization and Innovation for Better Public Services Project (P157136), India Madhya Pradesh Citizen Access to Responsive Service Project (P149182), and the Albania Citizen-Centric Service Delivery Project (P151972). The project will take into consideration the lessons learned from previous attempts at digital transformation in Grenada through the World Bank-financed OECS e-Government for Regional Integration Program (e-GRIP) (P100635).



Summary of Screening of Environmental and Social Risks and Impacts

The Environment and Social Risk is moderate. The project will only carry out small works and its footprint will be negligible. Environmental impacts are likely to be fully reversible. If the project replaces significant numbers of existing computer hardware, the risk will become moderate, as there will be a need to determine what will happen to the e-waste. In this case, an e-waste plan must be developed and implemented as part of the project's activities. The project will then recruit a specialist to assess the main means of handling this waste. The team will examine these issues further during preparation. The social risk of the project is moderate because it is developing in a context, where social inequalities remain high. Government capacity to implement policies for inclusive development is also weak. The project is concerned about these risks and will adopt a participatory and inclusive approach to enhance social inclusiveness, and in sensitive cross cutting areas such as: Governance; Poverty and Equity, Transport and Digital Development. The project impacts may fall disproportionately on persons who are subjected to prejudice or discrimination - women, children, minorities with disadvantages, the elderly, poor people that live in slums, LGBT, people with disabilities. - E.g. people who are blind are especially likely to be excluded from accessing improvements in e-services that require a visual interface. Measures to mitigate their exclusion, such as screen readers will be considered. - The project will seek to incorporate data privacy approach to help prevent breaches and enforce security. - Privacy of: behavior and action; communication; data and image; association among others. - - The project will also consider ergonomic issues related to data entry as well as access to systems and platforms by those with physical limitations.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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APPROVAL

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