

TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Generation and strengthening of Identification Systems in the Caribbean
▪ TC Number:	RG-T4492
▪ Team Leader/Members:	Muente Kunigami, Arturo (IFD/ICS) Team Leader; Mendoza Benavente, Horacio (LEG/SGO); Florencia Baudino (IFD/ICS); Martinez, Ynty Koyllor (IFD/ICS); Rodriguez, Fabricio (IFD/ICS)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	.
▪ Beneficiary:	Barbados, The Bahamas, Belize, Jamaica, Suriname, Trinidad and Tobago
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Institutions(W2C)
▪ IDB Funding Requested:	US\$130,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	August 2024
▪ Types of consultants:	Firms or Individual Consultants
▪ Prepared by Unit:	IFD/ICS-Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	IFD/ICS-Innovation in Citizen Services Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631):	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law

II. Objectives and Justification of the TC

- 2.1 Digital identification is a necessary condition for the development of the digital economy, especially in the delivery of public services. Defined as the possibility to verify the identification of an individual in the digital realm in a reliable, robust, and trustworthy manner, digital identification is an enabler of digital transactions. The number of economic transactions that can take in the digital realm can be limited if there is no possibility to identify the person on the other side of such transaction, being it a peer-to-peer or a mediated one. In particular, the provision of public services requires in most cases the verification, with a relatively high degree of confidence, that the person carrying out the transaction is in fact who they say they are.

- 2.2 According to a study carried out by McKinsey, extending full digital ID coverage could unlock economic value equivalent to 3 to 13 percent of GDP by 2030¹. One significant example of the potential of digital ID is the case of India, where the implementation of a digital ID system transformed the lives of millions, allowing the rate of bank account ownership to more than double in a decade, reaching 78% in 2021², having a direct impact on reducing poverty. Finally, an important example of the potential of digital ID in the provision of public sector services is the case of Brazil. By 2022, it is estimated that digital access to state services has generated savings for citizens of 3.4 billion reais per year, approximately 700 million US dollars. This is due to reduced mobilization expenses (particularly important in a country with Brazil's geographic characteristics and size), payments to third parties (intermediaries), and other costs³.
- 2.3 A good digital identification system depends on the quality of existing identification systems. The onboarding process for a digital identification system (in summary, the process through which digital credentials are issued to individuals so that they can identify themselves online) usually relies on existing identification documents, being them functional (for example, a driver's license, a passport, or a voting card), or foundational (national identification documents). Therefore, in addition to the actual digital platform to be used, the quality, reliability, and coverage of a digital identification system is also dependent on existing identification systems in the country. That is, even if a country deploys a sophisticated and secure platform to verify the digital credentials presented by individuals, a weak onboarding process can undermine the trustworthiness of the system itself.
- 2.4 Several Caribbean countries have plans to implement digital identification, but do not have a national identification system. Whereas most countries in Central and South America have national identification systems that can be used during onboarding for digital identification, most Caribbean countries don't. The government of The Bahamas, for instance, has announced its intention to implement a national digital identification system, but it has not yet been implemented. However, The Bahamas is working to enhance its identification system agenda in line with the activities of operation 4549/OC-BH, which is currently underway. Belize does not have a proper national identification system. However, with the support of the IDB, the country has created a strategic framework to enable the deployment of such a system. Belize is currently seeking best practices and solutions to develop a roadmap for this purpose. Barbados, Suriname and Trinidad and Tobago, despite having a more mature identification system that has been updated and modernized over the years, still face challenges in implementing this system in a digital environment. Finally, Jamaica is in the process of deploying its National ID System (NIDS) on a voluntary basis, aligned with operation JA-L1095.
- 2.5 **Objective.** The main objective of this Technical Cooperation (TC) is to promote regional knowledge sharing and capacity building across the Caribbean countries, aiming to enhance the design, implementation, and strengthening of their national identification systems through the agencies responsible for the civil registry and identification agenda within the beneficiary countries. These systems facilitate citizens' access to identification, thereby enabling access to digital government services, and

¹ McKinsey Global Institute (2019), [Digital Identification: A key to inclusive growth](#).

² [Bill & Melinda Gates foundation](#).

³ Governo de Brasil, 2023b. [GOV.BR alcança 90% dos serviços públicos digitalizados. Ministério da Gestão e da Inovação em Serviços Públicos](#).

providing the necessary information to governments for the generation of better data-driven public policies.

- 2.6 **Strategic Alignment.** The TC is aligned with the Sustainable Development Goals, particularly Goal 10, 'Reduce inequality within and among countries', as the planned event will facilitate a best practice exchange between countries with more sophisticated identification systems and those that are working to establish one. Additionally, it is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (GN-3159-12) and is aligned with the following objectives: (i) reducing poverty and inequality and (iii) bolstering sustainable regional growth. Improving and implementing Identification Systems in the Caribbean will create an enabling environment that not only allows citizens to exercise their rights but also fosters a digital culture within the country. This will directly impact development by increasing productivity and reducing poverty through the promotion of the digital economy. The TC is also aligned with the operational focus areas of institutional capacity, rule of law, and citizen security as it enhances the government's capacity to obtain records and information about its population through citizen identification. This, in turn, promotes the development of better public policies and improves the government's ability to deliver online services, thereby increasing efficiency.
- 2.7 This TC is aligned with the Priority Area of "Effective, Efficient and Transparent Institutions" of the Ordinary Capital Strategic Development Program (GN-2819-14), particularly with the expected results: (i) strengthen institutional and policy quality and service delivery and policy implementation, to improve public management and promote private sector development, as it enhances institutional and policy quality by enabling accurate identification of citizens, improving service delivery through streamlined processes, facilitating better policy implementation with data-driven insights, and fostering private sector development by enabling easier access to services and transactions in a digital environment; and (ii) leverage digital transformation to promote more effective, efficient and transparent governments, better and more equal opportunities for citizens, and more productive and innovative firms as it provides a secure, efficient framework for digital interactions, enhancing government services, and fostering innovation across sectors.
- 2.8 The TC is aligned with participating countries' country strategies. It is aligned with the country strategy of Barbados (GN-2953-1) in the strategic areas of Fostering Fiscal Sustainability and Public Sector Efficiency and Boosting Productivity and Competitiveness. It aligns with the country strategy of the Commonwealth of the Bahamas (GN-3198-1) in the strategic area of Strengthening Public Sector Governance, as it supports digital transformation in the public sector and encourages citizen engagement with the government. It is aligned with the country strategy of Suriname (GN-3065) in the strategic area of Restoring Macroeconomic Sustainability; a digital government is crucial for improving government efficiency, with digital identification as a central element of this transformation. It aligns with the country strategy of Belize (GN-3086) in the strategic area of Private Sector Productivity and Sustainable Growth, focusing on MSMEs, as digital identification promotes economic diversification and enables digital service. Furthermore, it aligns with the country strategy of Jamaica (GN-3138) in the strategic area of Reactivating the Productive Sector for Sustainable Growth; promoting digital identification can accelerate the country's digital transformation, enhancing productivity, competitiveness, and public sector efficiency. Finally, it aligns with the country strategy of Trinidad and Tobago (GN-3071) in the strategic area of Promoting Digitalization to Support Economic

Transformation; implementing a digital identification system enhances public sector digitalization, ensuring equitable public service delivery and fostering trust in public administration.

- 2.9 This TC is aligned with the Innovation, Science, and Technology Sector Framework document, GN-2791-13, particularly with the line of action 2, “Boost investment in key public goods for innovation,” as the development of a digital identification system is considered foundational digital public infrastructure that can play a crucial role as an input for innovation.
- 2.10 Finally, this TC complements the digital transformation agenda promoted by the IDB in the region. The presence of a robust and modern identification system is crucial for advancing digital transformation in the public sector. Without a digital identification system, many potential beneficiaries are excluded from the digital solutions promoted by the public sector. Therefore, this TC helps enable the adoption of digital technologies in the public sector in order to increase the efficiency of services for citizens.

III. Description of activities/components and budget

- 3.1 **Component 1. Regional event on good practices on identification and trends in digital economy (US\$80,000).** The objective of this component is to establish a regional event for promoting awareness and understanding of the benefits, challenges, and approaches to the design and implementation of identification and civil registry systems. It will also introduce recent trends that complement national identification systems, namely data policies and digital public infrastructure platforms. The event will be in-person and is aimed at permanent secretaries, project coordinators, and on-the-ground practitioners of each country; and will also feature relevant international experiences. It is expected that other countries from the Caribbean that already have national ID systems such as Barbados and Guyana, will also benefit from this event. Their participation and presentation of experiences will foster discussions not only on the initial challenges faced by countries in establishing identification systems, but also on the challenges for those already with an ID system transitioning to digital implementations. Activities: **Event planning and execution.** Through this activity, the regional event will be structured based on the needs of the identification systems in the Caribbean. This activity also includes coordinating the logistics required for the event's execution, which will be held in a Caribbean country. Finally, this activity will also support the participation of personnel from the beneficiary countries in the event.
- 3.2 **Component 2. Knowledge products on identification systems in the Caribbean and recent trends (US\$50,000).** The objective of this component is to document the main findings of the event, both in terms of lessons learned and shared on implementation of identification systems as well as on new trends related to data policies and digital public infrastructure. Knowledge pieces will be catered to the Caribbean audience and specific to their context. In particular, the following studies are proposed: (i) challenges and potential of Identification systems, which will discuss the role that these systems (along with civil registry) have in the modernization and digital transformation of governments in the region; (ii) importance of comprehensive data policies in the Caribbean context and their importance in the wake of identification systems rollout; (iii) digital public infrastructure and digital public goods as a viable option to accelerate the digital transformation of the Caribbean.

- 3.3 **Expected results.** The expected results are the strengthened identification systems in the Caribbean; and the awareness and capacities created between officials of the Caribbean governments on the importance and role of digital identification in the modernization and digital economy.
- 3.4 The total cost of the TC is US\$130,000 to be financed with resources of the Ordinary Capital Strategic Development Program for Institutions (W2C) to be executed and disbursed up to 24 months, as follows:

Indicative Budget

Activity/Component	Description	Total IDB Funding (US\$)
Component I	Regional event on good practices	80,000.00
Component II	Knowledge creation for the Caribbean on digital identification and relevant trends	50,000.00
Total		130,000.00

IV. Executing agency and execution structure

- 4.1 According to Annex II of the Procedures for the Approval of Technical Cooperations (OP-619-4), the execution by the Bank is justified because the counterparts do not have the technical capacity and the level of specialization necessary to execute this TC. Therefore, as requested by beneficiary countries, this TC will be executed by the Bank, through the Division of Innovation for Citizens Services ICS. The IDB has extensive experience in the provision and coordination of regional events and knowledge products, conducting the selection and hiring of quality consulting services (in accordance with Bank policies). The IDB can also contribute to the generation of innovative solutions by attracting experts in the field. The Bank will have the final word to select, hire, evaluate, and pay consultants/firms. While it can receive input or feedback from the beneficiaries, this will not constrain its ability to manage the relationship with the consultants. The agencies from the beneficiary countries will coordinate with the IDB for the implementation and attendance of the event. They will also provide insights and relevant information to help define the agenda and strategic approach for the topics to be presented during the event, ensuring they address the needs of these institutions. The counterpart agencies are as follows: (i) Barbados – Ministry of Industry, Innovation, Science and Technology; (ii) The Bahamas - Digital Transformation Unit – Ministry of Economic Affairs; (iii) Belize – E-Governance and Digitalization Department; (iv) Jamaica – National Identification Authority / Prime Minister Officer; (v) Suriname - Kabinet van de President; (vi) Trinidad and Tobago - Ministry of Digital Transformation. The activities included in this TC will be limited to countries that have already submitted an official request letter. As additional beneficiary countries submit their formal requests to participate, they will be incorporated and integrated into the execution of activities as outlined under this TC.
- 4.2 **Procurement.** The activities to be carried out under this operation have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the applicable policies and procedures for Bank Executed Operations (BEO). These procedures include: (i) individual consultants, as established in the document

AM-650 - Complementary Workforce; and (ii) hiring of consulting firms for services of an intellectual nature and the contracting of logistics services and non-consulting services, according to GN-2303-33.

- 4.3 The intellectual property of all knowledge products will belong to the Bank and may be made available to the public under a Creative Commons license. However, at the request of the beneficiary, following the provisions of the procedures AM-331, the intellectual property of said products may also be licensed to the beneficiary through specific contractual commitments.

V. Major issues

- 5.1 The primary risk is the challenge of coordinating the various institutions and agencies across the different countries benefiting from this TC. To mitigate this risk, the Bank will establish and maintain continuous communication and coordination with all stakeholders, this will include regular meetings, progress updates, and joint planning sessions involving all stakeholders, particularly the agencies responsible for identification and civil registry systems in the beneficiary countries.
- 5.2 Another identified risk is the turnover of authorities in the civil registries and identification agencies in the Caribbean. Therefore, the event is aimed at permanent secretaries, chief executive officers, project coordinators, and on-the-ground practitioners from each country, ensuring that the knowledge and experiences exchanged will benefit the institutional framework of identification in those countries.
- 5.3 In addition, the Bank will establish a Community of Practice (CoP) comprising stakeholders from the beneficiary countries, including representatives from identification and civil registry agencies, academia, and other relevant institutions. This CoP will serve as a collaborative platform for stakeholders to regularly engage, discuss progress, share best practices, and address issues effectively. Including academic institutions in the CoP will enhance its effectiveness by providing research and expertise in areas such as data management and technology.
- 5.4 This ongoing coordination will ensure effective collaboration and the smooth execution of the planned activities.

VI. Exceptions to Bank policy

- 6.1 This TC does not contemplate any exceptions to Bank policy.

VII. Environmental and Social Aspects

- 7.1 This TC will not finance feasibility or pre-feasibility studies of investment projects nor associated environmental and social studies; therefore, it does not have applicable requirements from the Bank's Environmental and Social Policy Framework (ESPF)".

Required Annexes:

[Request from the Client_84710.pdf](#)

[Results Matrix_28155.pdf](#)

[Terms of Reference_14334.pdf](#)

[Procurement Plan_66057.pdf](#)