



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 23-May-2019 | Report No: PIDA25942



**BASIC INFORMATION**

**A. Basic Project Data**

Country Grenada	Project ID P167588	Project Name Grenada Digital Governance for Resilience	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 15-May-2019	Estimated Board Date 31-Jul-2019	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Government of Grenada	Implementing Agency Department of Implementation, Ministry of Infrastructure Development, Public Utilities, Energy, Tran	

Proposed Development Objective(s)

To enhance the efficiency, uptake and resilience of selected government digital services.

Components

- Developing the enabling environment to modernize service delivery
- Leveraging digital technologies to deliver selected e-services to citizens
- Strengthening institutions for digital governance and managing change for digital literacy and inclusion

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

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

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	15.00
---	-------



IDA Credit	15.00
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

**1. Grenada is a small island economy of approximately 110,000 inhabitants.** The country is highly vulnerable to climate change, natural disasters, volatile terms of trade, as well as 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.

**2. The macroeconomic and structural policies that the government has implemented since 2012 have put Grenada on a path towards fiscal resilience.** In 2013, with the support of the World Bank (WB), the International Monetary Fund, and the Caribbean Development Bank, the Government of Grenada (GOG) developed the Homegrown Structural Adjustment Program (HSAP), which put the country back on a path of recovery. A fiscal responsibility legislation, tax reforms, debt restructuring, and a medium-term debt management strategy have strengthened the macroeconomic policy environment.

**3. Underpinned by fiscal rules and fiscal responsibility legislation that capped expenditure growth and the public wage bill, the macroeconomic framework also included tax reforms, debt restructuring and a medium-term debt strategy that targeted a public debt to GDP ratio of 55 percent.** The reform program has supported strong economic growth, averaging 5.5 percent since 2014 resulting in fiscal surpluses since 2016. The strengthening economy, successful debt restructuring and continued fiscal discipline have led to a reduction of nearly 40 percentage points in the country’s public debt to GDP ratio since 2014, to 63 percent in 2018.<sup>1</sup> Debt restructuring has also resulted in the successful renegotiation of debt obligations with the insertion of hurricane clauses and lengthening of maturities.<sup>2</sup> The current account deficit is estimated to have widened in 2018 for the second consecutive year to 7.4 percent of GDP. FDI inflows have been consistently above 8 percent of GDP since 2015 as conditions for private investment have improved. International reserves are adequate, inflation is low and stable, and the banking sector remains sound.

**4. 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 also will require the country to continue building the fiscal, financial, environmental, socio-economic, and institutional resilience necessary for

<sup>1</sup> GoG 2019 Budget Statement November 2018.

<sup>2</sup> The hurricane clause provides for automatic liquidity relief from debt servicing in the event of a qualifying disaster.



adapting to climate change. The emigration of skilled citizens due to lack of economic opportunities poses a potential threat to the stock of human capital in the country. In addition, while remittances have provided steady support for the balance of payments and poverty reduction, they may have had a negative effect on the competitiveness of the economy as they are spent mostly on private consumption.<sup>3</sup> 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 systems, protocols, and platforms that underpin public service delivery across these sectors.

#### Sectoral and Institutional Context

**5. The public sector in Grenada is characterized by institutions that operate in silos and with outdated IT infrastructure.** Core administrative functions are constrained by the reliance on manual systems, low human resource capacity, limited strategic planning, and weak information management. Systems, processes and service delivery channels remain fragmented across individual agencies in the absence of institutional arrangements and integrated platforms that enable the workflow and the exchange of information across public sector institutions, limiting significantly the spectrum of public services that could be provided electronically to citizens and businesses.

**6. The lack of foundational integrated digital infrastructure includes identity management; electronic payments; recognition and validation of electronic records; and organized, systematic and open access to spatial and other non-confidential data.** The citizen identity management system in Grenada is fragmented and complex. There are multiple identity systems for the births and deaths registry, the electoral card system, and the passport issuance platform – none of which interface with each other. Government payment receipts are not regularly accompanied by identification, which introduces the risk of money laundering.

**7. Services such as civil registry and tax administration, which impact large segments of the population, are significantly hampered by inefficient procedures and obsolete IT systems.** Most payments for services such as birth certificates are made manually, take an average of two days to process, and require physical presence, which puts those who live outside of the capital at a significant disadvantage. Birth certificates are required for many citizen activities such as opening a bank account, school registration and voting for elections – approximately 60 such transactions are processed daily at the civil registry.

**8. The challenges GOG faces in establishing the foundations for digital services are compounded by the recurrent loss of administrative data and public sector functionality in the aftermath of natural disasters.** Climate change projections for Grenada predict an increase in average annual temperature, reduced average annual rainfall, potential for an increase in the intensity of tropical storms and increased sea surface temperatures, which are expected to lead to increased occurrences of extreme weather events. Since most of the public and private infrastructure in Grenada, including government facilities, are located on or near the coast, critical government information assets are lost and core public administration services collapse in the event of a disaster. This failure interrupts the continuity of public service delivery and limits the ability of the government to respond to emergencies as well as facilitate rapid recovery and reconstruction.

**9. GOG envisions the future of the public sector in Grenada as an information-centric flow of data, information and services that cut across boundaries to deliver smarter, customer-centered public services.** GOG's Public Service Management Reform Strategy (PSMRS) has called for the development of new operating models to provide system-wide coordination of investment, resources and capabilities. The PSMRS identifies e-

<sup>3</sup> World Bank. 2018. *Organisation of Eastern Caribbean States-Systematic Regional Diagnostic* (Report No. 127046-LAC). Washington, DC.



government as a critical tool necessary to improve the ease and efficiency of access by both citizens and businesses to government services.

### **C. Proposed Development Objective(s)**

Development Objective(s) (From PAD)

To enhance the efficiency, accessibility, and resiliency of selected digital services.

#### Key Results

**PDO Indicator 1:** Reduction in time spent on tax related transactions

**PDO Indicator 2:** Number of daily civil registry transactions processed digitally

**PDO Indicator 3:** Reduction in the time that selected government services are down/not available

### **D. Project Description**

**10. The project has three components that complement each other to achieve the PDO.** Component 1 will build the enabling institutional, regulatory and technological environment needed to construct e-services. Component 2 will leverage this enabling environment to deliver two high-priority e-services (civil registry and tax administration services) that are resilient to cyber risks and observed and anticipated climate change impacts, while increasing revenue for the GOG. Component 3 will strengthen institutional capacity, coordination, and management in the context of the challenges and particularities of operating in a small island state context, with the objective to ensure that the public sector and citizens develop the digital literacy and awareness skills necessary to navigate the improvements introduced under the first two components.

**Component 1. Developing the enabling environment to modernize service delivery (Estimated Cost: US\$ 5.90 million)**

**11. The objective of this component is to establish the technical, institutional, legal and regulatory foundations that constitute the enabling environment to enhance internal administrative efficiencies and collaboration across government entities.** These foundational elements will serve as the building blocks for the development of selected e-services and contribute to enhancing government continuity and resilience, including in the event of a natural disaster.

**12. This component will finance the design and implementation of a government-wide Enterprise Architecture (EA) and Interoperability Framework for deploying the cross-cutting platforms that are required to enable digital service delivery.** It will develop the appropriate interoperability framework for the core, cross-cutting public sector platforms and back-end systems that GOG considers fundamental for government continuity, including by incorporating requirements for building climate resilience.

**13. Under this component the project will deliver a document management system to register, archive, and preserve critical government records.** Such records could include lands and deeds; birth, death, and marriage certificates; government contracts; government directives; intellectual property; blueprints; and judicial records.



This activity will entail the digitization of critical public records through the identification and conversion of paper documents for digital storage.

**14. Together with the digitization of key government records, three cross-cutting digital platforms that constitute the building blocks for the development of a WoG digital government platform are selected for delivery under this component:**

- a. *Electronic Payment System*, to allow the government, citizens, and businesses to transact payments in a seamless and secure way, which will also help enable the continuity in the flow of funds in post-disaster periods.
- b. *Single Sign-on Digital Identifier Platform*, to establish a cloud-based, cyber-secure e-services identity framework, which will allow citizens to set up simple and unique digital identities via login and password to access e-services via a single sign-on mechanism.
- c. *Spatial Data Platform*, to enable government agencies to generate and access spatial (3-dimensional) data, to facilitate better recordkeeping, revenue generation, and post-disaster assessment and decision-making.

**Component 2. Leveraging digital technologies to deliver selected e-services to citizens (Estimated cost: US\$ 5 million)**

**15. The objective of this component is to enable the delivery of two high-priority public services through digital technologies.** It will build on the foundations introduced under the first component to offer two high-impact e-services that are delivered efficiently and are accessible to all segments of the population. These are envisioned as digitized systems that provide access to the services online as well as in person at kiosks and government offices. The systems will be integrated with the digital identifier and electronic payment platforms developed under Component 1.

**16. The project will finance the design, development, and deployment of the following e-services under this component:**

- a. *Civil Registry*, where citizens can apply for birth, death, marriage, and adoption certificates and pay for them online or in person; and
- b. *Tax Administration Services*, where citizens can access core tax administration services and the government can perform core tax administrative processes in a digital environment that is accessible online, at kiosks, and in person.

**17. Throughout the lifetime of the project, applications, dashboards, and other outreach activities will be deployed to interact with citizens and businesses** to gather feedback on existing services and suggestions for improvements and communicate how this feedback will be incorporated in the design of digital services. In addition, interactive mechanisms will be developed that can communicate important information and messages accessible by mobile phone such as, for example, tax payer information services and early warning alerts. Project activities will leverage local radio stations, mobile service providers and most commonly used social media platforms, as well as feature an online dashboard, to facilitate citizen engagement and enable public message delivery.



**18. This component will contribute to increasing resilience to climate change by reducing the vulnerability of selected services to delivery interruptions in the event of natural disasters.** The digital services introduced will feature robust business continuity protocols for service interruptions that may result from climate-induced and man-made disasters. The development and application of these protocols will build on existing climate change vulnerability assessments. Given the criticality of payment (taxes and fees for services) and identification (birth certificate) systems for citizens to access public and commercial facilities following natural disasters, facilitating the continuity of these services in the aftermath of a disaster will contribute to reducing the vulnerability of citizens and businesses to climate change.

**Component 3. Strengthening institutions for digital governance and managing change for digital literacy and inclusion (Estimated cost: US\$ 4.10 million)**

**19. The objective of this component is to strengthen the institutional and human capacity to manage digital government transformation.** This component will finance activities to strengthen the technical and project management capacity of the public sector to transition to a digital service delivery environment, as well as ensure that the public sector and citizens develop the digital literacy and awareness skills necessary to navigate the improvements introduced under the first two components.

**20. The project is expected to introduce fundamental changes in the way that the government, businesses, and citizens interact.** The lack of digital awareness and project implementation capacity within civil service, as well as the lack of digital literacy in the larger population, constitute significant challenges for the introduction, institutionalization, and sustainability of digital transformation. The project preparation data collection and stakeholder capacity assessments indicated that the transformative nature of the project, its technical and operational complexity, and the challenges presented by ICT procurements, will require long-term, on-the-ground, embedded project management and technical advisory services to help overcome the implementation challenges experienced in the past by Grenada and other small island states.

**21. This component will finance the procurement of a firm to provide capacity building, technical advisory, project management, and change management services to help ensure consistent progress on project activities and the sustainability of the results achieved.** Because GOG has no prior experience implementing such a complex, transformational project, the firm will mobilize a team to help the government achieve core aspects of its digital government transformation vision. This team will be embedded in the Department of Implementation and work directly with the CIO, the DPA, the MOF, and other GOG entities involved in project implementation to perform the following activities:

a. *Capacity Building and Technical Advice.* Long-term, on-the-ground capacity building and advisory support to strengthen the technical capacity of GOG counterparts in key aspects of digital government transformation and management.

b. *Project Management.* Day-to-day coordination and project management of the activities carried out under the project, including the development and implementation of a project management plan, development of the technical specifications and the Requests for Proposals for the digital initiatives and consultancies in the procurement plan, vendor management and supervision, and quality control of vendor deliverables for government approval;



c. *Change Management.* Development and implementation of a Change Management Strategy to ensure that project interventions are internalized and utilized effectively by the public sector and citizens. The Change Management Strategy will include: (i) gender-informed community and citizen engagement campaigns to promote digital transformation and small-scale gender-equitable technical and vocational training initiatives to incubate a digital workforce, and (ii) co-creation events, in partnership with academia, startups, and civil society to crowdsource solutions for priority service challenges and monitoring (e.g. grievance management, delivery effectiveness, information dissemination, etc.).

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

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 Appraisal Stage ESRS Document.



## E. Implementation

### Institutional and Implementation Arrangements

**22. The Department of Implementation (DOI)<sup>4</sup> will be the implementing agency for the project, responsible for overall project management, implementation and coordination.** The Permanent Secretary (PS) for Implementation will supervise a Project Manager who will be responsible for managing all aspects of the project including the facilitation of inter-agency coordination and collaboration. The Ministry of Finance (MOF) will support project implementation through key fiduciary activities performed by the Accountant General's Department and the Central Procurement Unit, and technical activities carried out by the Internal Revenue Department (IRD). The PS of Implementation in consultation with the PS of Finance, the PS of ICT and the PS of Public Administration will provide overall strategic leadership and guidance for the implementation of this project.

**23. The office of the CIO will be the primary technical counterpart for the project.** The CIO will have technical oversight responsibility for all project activities. The CIO will work with the Project Management and Technical Advisory firm to be engaged by the project on key project deliverables before they are submitted to the Project Manager. The CIO will chair a Technical Committee, composed of ICT, change management and other technical professionals from the Ministry of Finance (MOF), the Department of Public Administration (DPA), the Ministry of ICT and other entities as appropriate to help the CIO to review the RFPs and deliverables. The Technical Committee will meet regularly (at least bi-monthly) or as required to meet project deliverables.

**24. Given the cross-cutting and multi-stakeholder nature of the project, a Project Oversight Committee (POC) will be established.** The POC will be chaired by the PS for the DPA as the custodian of the PSMRS in which this project is anchored, and comprise the PS for MOF, the PS for ICT, and the PS for Implementation. The POC will meet once a month to monitor implementation progress; provide guidance, discuss and agree on corrective measures; evaluate recommendations and requests that have policy and institutional implications; and report to the Cabinet per standard GOG procedures.

## CONTACT POINT

### World Bank

Leah April  
Senior Public Sector Specialist

Onur Erdem  
Public Sector Specialist

Raman V. Krishnan  
Senior Digital Development Specialist

<sup>4</sup> The Department of Implementation is a part of the Ministry of Infrastructure Development, Public Utilities, Energy, Transport and Implementation (MOIID).



**Borrower/Client/Recipient**

Government of Grenada

**Implementing Agencies**

Department of Implementation, Ministry of Infrastructure Development, Public Utilities, Energy, Tran

Merina Jessamy

Permanent Secretary

mejessamy@gmail.com

**FOR MORE INFORMATION CONTACT**

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 473-1000

Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Leah April Onur Erdem Raman V. Krishnan
----------------------	---

**Approved By**

Environmental and Social Standards Advisor:		
Practice Manager/Manager:		
Country Director:	Sabine Hader	28-May-2019