

TC Document

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Promoting Comprehensive Data Policy Frameworks in Latin America and the Caribbean
▪ TC Number:	RG-T3867
▪ Team Leader/Members:	Muente Kunigami, Arturo (IFD/ICS) Team Leader; Aguilar Blandon, Maria Alejandra (IFD/ICS); Molina Bolanos, Evelyn Maria (IFD/ICS); Vila Saint-Etienne, Sara (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	08 Mar 2021.
▪ Beneficiary:	Belize: Ministry of Youth, Sports and E-Governance Peru: Digital Government Secretariat Ecuador*: National Directorate of Public Data Registry Jamaica*: Ministry of Science, Energy and Technology Panama*: National Government Innovation Authority
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC Strategic Development Program for Institutions(INS)
▪ IDB Funding Requested:	US\$200,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	30 months (30 months of execution)
▪ Required start date:	August 2021
▪ Types of consultants:	Individuals & Firms
▪ 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 Update to the Institutional Strategy 2020-2023:	Institutional capacity and rule of law

II. Objectives and Justification of the TC

- 2.1 **The data revolution is transforming the world.** Every action and interaction that people, businesses, and public entities have created data that is captured and stored. Each day, approximately 2.5 exabytes of data are produced, and 90% of data in the world have been produced in the last couple of years (IBM, 2016). Moreover, it is expected that the amount of data produced will be increase from 33 zettabytes in 2018 to 175 zettabytes in 2025 (IDC, 2018). The collection and processing of data is also evolving currently, about 80% of data is processed in centralized data centers, while the remaining 20% is done on smart devices. By 2025, it is expected that this relationship will reverse (Gartner, 2017).
- 2.2 **Data for Decisions, Design, Delivery and Discovery (D4D4).** Enabled by the appearance of new technologies such as big data analytics and artificial intelligence,

*These countries have expressed their interest to participate but have not sent the official request (¶4.2).

data can now be used by people, businesses and governments mainly in four different areas:

- a. Better decisions. Data provide evidence that can be used to make better decisions. For example, during the COVID19 pandemic, isolation and distancing policies were applied in some jurisdictions based on the number of cases, vulnerable population, economic activities, among others.
- b. Design, monitoring and evaluation of policies. Data can feed the policy design process, as well as its monitoring and evaluation. For example, many cities design their citizen security strategy based on criminal heatmaps (georeferenced historical crime statistics).
- c. Public service delivery. Data can improve the delivery of services by providing real time feedback and consumption patterns.
- d. Discovery of new opportunities. New and innovative business models that consume large amounts of data have emerged, providing companies and individuals with insights and new services.

2.3 **As the amount of data in the world increases exponentially, several concerns appear.** As the complexity of this “data economy” evolves, increasing concerns about privacy, security and quantity and quality of data that governments and private companies have at their disposal are growing. Scarcity of talent in the marketplace along with an uncoordinated response by governments is creating a lose-lose scenario of lost opportunities and increasing vulnerabilities.

2.4 **Initial responses from governments have created a fragmented landscape.** Initial attempts to manage these challenges included the creation of different “groups” - committees, advisory groups, or in some cases even new agencies -, each aimed at addressing a specific challenge, namely: data protection, data sharing/interoperability, open data, cybersecurity, artificial intelligence, and big data, among others. These thematic groups, however, are usually housed in different agencies and do not coordinate with each other. This has resulted in both overlaps and vacuums that end up creating a more fractured landscape around data practices.

2.5 **There is a new nascent agenda around comprehensive yet flexible data frameworks.** Countries with a more sophisticated data infrastructure such as the United States (US), Canada, United Kingdom (UK), and Uruguay have recently started to adopt a more holistic approach to data that is expected to facilitate coordination and promote innovation while at the same time safeguarding the privacy and rights of individuals, ensuring adoption by all sectors, in and outside government, so that the potential benefits are effectively realized. The US and Canada have each issued a federal Data Strategy, UK has launched a National Data Strategy, and Uruguay has implemented a Data 360 initiative². The European Union released a draft Data Governance Act in late 2020, following the launch of its Data Strategy in 2020 and the General Data Protection Regulation (GDPR), which quickly became the reference for data protection in the world. Countries and regions with less developed data landscapes will soon face the need for such approaches, as the existing requests mentioned above already suggest.

² Uruguay is also leading an initiative by the same name within Digital Nations, a group of the most digitally advanced countries in the world that includes the US, Canada, and UK.

- 2.6 **The level of maturity of data policy frameworks in the region varies.** Even though almost all countries have added open data activities to their open government plans, the open data barometer 2020³ shows a broad range of readiness, implementation, and impact levels across the region. Additionally, the cybersecurity report published by the IDB in 2020⁴ provides a similar landscape, with countries in the region showing an overall low score compared to other countries, albeit showing some progress since 2016. Data protection remains the least studied area: 13 countries in the region have a national data protection law, 10 of which have set specific institutions in charge of enforcing this legislation. In general, only Uruguay has a comprehensive data initiative⁵, as explained above, while Chile is in the process of drafting a new National Data Policy.
- 2.7 **A regional approach that accommodates these differences but aims at a common set of standards and principles is required.** Even though the proposed TC will support clients in the drafting of specific National Data Strategies, it will also leverage these experiences to create and disseminate a regional common approach that will ease cross-border data exchanges, promote the passing of compatible policies in the region, and create a regional network of data policy makers.
- 2.8 **There are common barriers to the development of comprehensive data policies in the region.** In general, there are three main challenges that have been identified, regardless the level of maturity of a country's landscape: (i) there is an overall lack of awareness of the importance of data, in particular about data protection, and the opportunities that are lost due to the lack of a cohesive framework; (ii) there is very little understanding of the different agendas that deal with data within and between countries; and (iii) there is no clear methodology and/or toolkits for the creation of an integrated approach at the institutional, national and/or regional level.
- 2.9 **Several countries in the region have already approached the Bank with to data-related requests:** The number of activities that involve data analytics and/or data governance included in loan operations has increased in the last couple of years, and several knowledge products related to data have been prepared. As of January 2020, Chile has requested a review of a new National Data Policy to be added in a policy-based; El Salvador and Ecuador requested the Bank to provide comments to draft Data Protection legislation; Jamaica and Peru have expressed interest in implementing and adopting a comprehensive data policy; Guatemala and Honduras have requested assistance for their open data initiatives; and there is an ongoing dialogue with the government of Brazil to support several activities in their data agenda. In general, this TC will contribute to the Bank's existing operational program throughout the region by providing tools and methodologies to respond to the increasing requests of assistance regarding the design and/or implementation of data policies and frameworks. Even though policies and frameworks may vary according to each country, the designs of tools and methodologies financed with this TC are aimed to be replicable to other member countries.
- 2.10 **In particular, the governments of Belize, Ecuador, Jamaica, Peru, and Panama have expressed their interest to participate. Peru and Belize have sent the**

³ <https://barometrolac.org/>.

⁴ IDB. 2020 Cybersecurity Report.

⁵ <https://www.gub.uy/agencia-gobierno-electronico-sociedad-informacion-conocimiento/comunicacion/noticias/datos-360deg-vision-integral-del-uso-datos-estado-0>

official request. In the case of Peru, the country has engaged in the design of a National Data Strategy, despite the current transition of government. This strategy will support existing efforts to promote an open data culture, as well as consolidate the importance of data protection in the public sector. In the case of Belize, the new administration has prioritized digital transformation in its short-term development agenda and has created a new ministry (Youth, Sports and E-Governance) to lead this effort. Ecuador, Jamaica, and Panama have enacted new data protection legislation in 2021, 2020, and 2021, respectively.

2.11 **Strategic alignment.** This TC is consistent with (i) the Second Update to the Institutional Strategy 2020-2023 (AB-3190-2), in particular with the cross-cutting issue of Institutional Capacity an Rule of Law; and (ii) the Ordinary Capital Strategic Development Program for Institutions (GN-2819-1), in particular with the Implementation Capacity to Improve Service Delivery and Policy Implementation outcome; and the objectives: to contribute to public policies and institutions that are more effective, efficient, open and citizen-centered; and to improve service delivery to citizens. It will also contribute with the Corporate Results Framework (CRF) 2020-2023 (GN-2727-12), through level 2, indicator 26 Agencies with strengthened digital technology and managerial capacity. Additionally, the TC is aligned with the IDB Group Country Strategy with: (i) Peru 2017-2021 (GN-2889), institutional strengthening and delivery of basic services; simplifying procedures and improving regulatory quality and encouraging the use of information technologies (electronic government), (ii) Belize update 2020-2021 (GN-2746), supporting the effectiveness of service delivery, (iii) Ecuador 2018-2021 (GN-2924), mainly the modernization of the State, prioritizing initiatives that generate efficiencies and improve the quality of expenditures; (iv) Panama 2021-2024 (GN-3055), supporting the public management modernization effort through a digital transformation of the public administration; and (v) Jamaica 2016-2021 (GN-2868), improving public sector management.

2.12 **The main objective of this technical cooperation is to promote the adoption and coordination of data policies within and between countries in the region.** In particular, this TC will work on (i) creating awareness about the importance of comprehensive data policies; (ii) assessing the maturity of data protection in the region; (iii) create tools to help countries improve existing policy frameworks; and (iv) promote knowledge exchanges between countries.

III. Description of activities/components and budget

3.1 **Components.** To accomplish its objectives, the project will have three main components:

3.2 **Component 1. Creation and dissemination of knowledge (US\$70.000).** One of the main barriers that data policy specialists face when proposing a more holistic approach to data is the lack of evidence to support the benefits such approach will bring to the public sector. Even though the EU has made a great effort to estimate the size of the “Data Economy”,⁶ there is still little done in terms of estimating the direct benefits to governments. To help make the case for a more comprehensive data policy framework, this component will focus on three activities: (i) a review of existing studies related to the economic impact of data policy frameworks; (ii) establish a methodology

⁶ It is estimated that the “Data Economy” in the EU27 + UK in 2019 was of €400 billion ([The European Data Market Monitoring Tool](#)).

for a country data protection assessment, to be applied in at least one country, complementing existing efforts on open data and cybersecurity; and (iii) dissemination and communication of the component's results.

- 3.3 **Component 2. Development of toolkits and country support (US\$80.000).** This component will support the elaboration of general toolkits that will help public administrations design an overall data strategy; and will support the implementation of specific instruments in at least two administrations, namely, Jamaica and Peru. Even though the National Data Strategy needs to be specific for each country, the methodology will be designed so that it may be applicable to other countries in the region. Based on international experience, it is expected that these National Data Strategies include at least three different pillars: (i) governance, dealing with the organization, rules, roles and responsibilities around data management; (ii) talent, proposing a way to increase the quantity and quality of existing data specialists (and policy makers aware of the value of data); and (iii) use, promoting better and more widespread use of data to improve a more effective and efficient public sector and a more productive and innovative private sector.
- 3.4 **Component 3. Regional exchanges and learning event (US\$50.000).** This component will support regional events (virtual and/or in person) to promote exchanges between data policy makers in the region, as well as creating a first version of a learning resource - a Massive Open Online Course (MOOC) will be explored - that will showcase the main findings of the TC and other efforts around data-related topics. The learning resource will be implemented in both Jamaica and Peru.
- 3.5 **Results.** This TC is expected to create a body of knowledge and tools that will help participating countries design a National Data Strategy and inform the Bank on the design of operations on data privacy and data management. At the same time, the methodologies and instruments will be designed so that they may be applied in other countries⁷. In particular, the following outputs are expected:
- Study on the economic impact of better data management in the public sector.
 - Methodology to assess data protection gaps, applied in at least one country.
 - National Data Strategies toolkit designed and implemented in at least two participating countries.
 - Learning resources (exact modality to be determined based on the evolution of COVID-19).
 - Organization of knowledge exchanges between data policy makers in the region.
- 3.6 In the medium to long term, the TC is expected to have contributed to the developing of a data-oriented culture in the region. Furthermore, the project intends to continue encouraging state modernization mechanisms and innovative tools to develop evidence-based public policies and decision-making processes.

⁷ Intellectual property rights. All knowledge products derived from this Technical Cooperation will be the Bank's intellectual property.

- 3.7 The total project cost is USD\$200,000 which will be provided by the IDB's Ordinary Capital Strategic Development Program for Institutions (INS). There is not local counterpart funding.

Indicative Budget (US\$)

Activity/Component	Description	Total Funding (IDB)
Component 1 Creation and dissemination of knowledge	Assessment of the economic impact of comprehensive data policy frameworks	40,000
	Data Protection country assessment	20,000
	Dissemination and communication of the component's results	10,000
Component 2 Development of toolkits and country support	Toolkits to help public administrations design an overall data strategy and its implementation	20,000
	Implementation of toolkit in 2 countries	60,000
Component 3 Regional exchanges and learning event	Online training products for public officials	30,000
	Participation on virtual/presential exchanges	20,000
Total		200,000

- 3.8 **Arrangements for TC supervision.** All activities will be coordinated with the IFD/ICS specialists in the Country Offices (COF) and through them with the Chief of Operations. No major supervisions costs to COF are expected. This TC includes a Results Matrix that will help monitor and evaluate the fulfillment of the committed products.

IV. Executing agency and execution structure

- 4.1 **The executing agency for this TC will be the IDB, under responsibility of IFD/ICS.** Given the novelty of the topic, a regional entity with legal capacity to execute the TC in all participating countries (and/or others that may be added) and with technical knowledge of the topic can't be identified. The Bank has already provided technical assistance around data-related topics to different countries in the region, supporting initiatives related to open data⁸, data protection⁹, and algorithmic auditing¹⁰. This has positioned the Bank as a key player in disseminating best practices around the region in this nascent field. For these reasons and upon request of the governments of Belize and Peru, the TC will be executed by the Bank, through IFD/ICS. Additional participating countries will have to send their no objection letters prior to the initiation

⁸ The Open-up guide on Climate Change in Uruguay and Chile (ATN/AA-16905-RG, ATN/OC-16906-RG) and the Implementation of open data strategies in Latin America (RG-T3225).

⁹ Personal data use during COVID-19 (RG-E1711), Data protection legislation: regional comparison (RG-E1711) and Data Governance for the Constitutional Court of Ecuador (ATN/AA-16905-RG, ATN/OC-16906-RG).

¹⁰ Algorithmic bias analysis of the child risk measurement system of the Ministry of Social Development and Family of Chile (ATN/FI-17077-RG).

of any activity in such country¹¹. The activities to be executed under this operation have been included in the Procurement Plan (Annex IV) and will be carried out in accordance with the Bank's procurement policies and procedures methods: (a) Hiring of individual consultants, as established in the regulations AM-650; and (b) Hiring of consulting firms for services of an intellectual nature according to GN-2765-4 and its associated operating guidelines (OP-1155-4) and/or (c) Hiring of logistics services and other services other than consulting, according to the policy GN-2303-28. Given the regional nature of the activities to be financed hereunder, and in accordance with OP-619-4 Annex 2, Bank execution - including selection and contracting of consultancy services on behalf of the beneficiary - is justified and appropriate to ensure the sustainability of the project's implementation and to enhance coordination.

- 4.2 **Beneficiaries.** In the case of Peru, the main beneficiary will be the Digital Government Secretariat, whereas in Belize it will be the Ministry of Youth, Sports and E-Governance. In general, beneficiaries will involve agencies in charge of the design and/or implementation of national data policies, for example the Ministry of Science, Energy and Technology (MSET) of Jamaica, National Government Innovation Authority (AIG) of Panama, and the National Directorate of Public Data Registry (DINRDAP) of Ecuador. The activities on the latter countries will be carried out when the Bank receives an official request of participation prior to the initiation of any activity in such country.

V. Project risks and issues

- 5.1 The main risk is related to follow-up of recommendations and action plan that will stem from the design of the National Data Strategies (Component 2). Taking into account the extent of change in public administration that other countries' strategies have proposed, it is possible that governments will not be able to follow through with implementation. Furthermore, delays on execution may occur due to COVID19, to mitigate these risks, action plans will be designed as part of the strategy and will include a component to secure political and financial resources that will help maintain the strategy and its implementation.

VI. Exceptions to Bank policy

- 6.1 This operation does not foresee any exceptions to Bank policy.

VII. Environmental and Social Strategy

- 7.1 Given the nature of the activities this TC does not represent any environmental or social risk. In accordance with the Environment and Safeguards Compliance Policy (OP-703), the TC has been classified as Category "C". See Environmental Safeguards Filters Safeguard Policy Filter ([SPF](#)) and Safeguard Screening Form ([SSF](#)).

Required Annexes:

[Request from the Client - RG-T3867](#)

[Results Matrix - RG-T3867](#)

[Terms of Reference - RG-T3867](#)

¹¹ The selection criteria for other countries who might express interest will include order of request, availability of funding, and alignment of proposed activities for financing with TC objectives.

[Procurement Plan - RG-T3867](#)