

ECUADOR

TECHNICAL COOPERATION PROFILE (EC-T1198)

I. BASIC PROJECT DATA

- **Country:** Republic of Ecuador
- **Program Name/Number:** Technical Cooperation to Support Ecuador Civil Registry Modernization Plan (EC-T1198)
- **Team Leader/Members:** Jorge von Horoch (ICF/ICS); Team Leader; Mia Harbitz (ICF/ICS); Javier Reyes (ICS/CEC); Hyun Jung Lee (LEG/SGO) and Nathalie Hoffman (ICF/ICS).
- **Beneficiary:** Republic of Ecuador
- **Executing Agency:** *Dirección General de Registro Civil, Identificación y Cedulación (DGRCCIC).*
- **Amount and source of funding:**

IDB: Italian Fund for Information and Communication Technology for Development (IID):	US\$	750,000
Local:	US\$	<u>50,000</u>
Total:	US\$	800,000
- **Execution:** 18 months
- **Disbursement:** 24 months
- **Tentative dates:** Approval: March, 2009

II. BACKGROUND

- A. **Civil Registry modernization, economic and social inclusion, and access to civil rights**
- 2.1 In many countries of the LAC Region, a significant number of citizens do not officially exist. This lifetime of exclusion typically starts at birth, with the lack of a registered birth certificate. According to UNICEF data from 2006, approximately 18 percent of children under five years of age in the region lack a registered birth certificate, the first contract between the state and individuals, that establishes identity and links to parents and community.
- 2.2 Identity documents, including national ID cards and birth certificates, and individual registration in the national official population registries (civil registry, electoral registry, etc.) are critical for engaging in economic or productive activities as well as for accessing basic services and exercising citizenship rights. Lack of proper registration and documentation feeds the poverty cycle, and identity gap can restrain an entire national economy.

- 2.3 While the exclusionary consequences of under-documentation are often denounced in terms of human rights, the limitations placed on earning potential and economic growth are less often spotlighted but also merit strong consideration. Lack of documentation can severely depress earning potential. Citizens who are without identity documents are excluded from holding formal sector jobs, accessing credit, opening a savings account, and inheriting property. Voting and being elected to office may also be restricted. Studies have demonstrated that children are excluded from school and social programs when their parents cannot produce birth certificates for them. Anecdotal evidence suggests that in some geographic regions, boys tend to be registered more than girls, warranting special attention to gender-specific issues.

B. The modernisation of the the Civil Registry in Ecuador

- 2.4 The Government of Ecuador (GoE) is in the process of implementing a large-scale effort to modernize a number of state institutions, and, in this context, GoE has determined that the modernization of the Civil Registry (*Dirección General de Registro Civil, Identificación y Cedulación – DGRCCIC*) is a priority for the country. The Government's objective is to transform the Civil Registry into an efficient and transparent institution that provides effective high-quality services to its internal and external customers, both in terms of civil registration and civil identification by providing a state of the art identity document to the citizens of Ecuador.
- 2.5 To carry out this ambitious institutional reform of DGRCCIC, the GoE appointed new authorities in the Civil Registry, approved a modernization plan, and allocated significant budgetary resources for the process. The Civil Registry modernization is an important component of a broader government reform program aiming to improve the quality and efficiency in the delivery of public services.
- 2.6 The capacity, efficiency and trust in the civil registry have been in decline for some time. Recently, DGRCCIC carried out an assessment of the state of affairs of the institution, which found weaknesses that need to be address with urgency in a number of areas, such as: (i) obsolete information technology (IT) and absence of IT communication network; (ii) lack of adequate internal control and auditing mechanisms which leaves the identification process vulnerable to corruption and mismanagement; (iii) absence of a human resources strategy, with insufficient training or preparation to efficiently participate in the planned modernization process; (iv) the administration and finance departments without a clear structure and low executive capacity; and (v) out-of-date legal framework for modern civil registry and civil identification processes.
- 2.7 In this context, in October of 2008, the GoE requested technical assistance from the Inter-American Development Bank (IDB) to develop the detailed design and execute the plan for the key components of the DGRCCIC modernization plan.

This plan seeks to address major legal, technological and organizational deficiencies identified by the Civil Registry authorities.

C. The Inter-American Development Bank's Experience in this area.

- 2.8 The IDB has been involved in the area of civil registration and identification for several years, and has financed technical cooperations to support similar modernization programs in Uruguay and El Salvador, as well as loan projects that address civil registration and identification in an integral form in Argentina and Nicaragua. Modernization of civil registration and identification projects, are also under preparation in Jamaica and Peru. Parallel to project financing, the Bank has also conducted investigation on civil registry and related topics in Latin America, which has put the IDB in a unique position for knowledge sharing.
- 2.9 This Technical Cooperation (TC), under preparation, is the IDB's response to the GoE request to support the Civil Registry modernization plan in Ecuador. In addition, this TC will contribute to expand the Bank's capacity to design and implement effective and sustainable institutional modernization programs by expanding the wealth of knowledge in the Bank, but also in the Region, in this particular area.
- 2.10 Previous technical assistance projects on registry and identity have yielded positive results in awareness rising in the region as well as expansion of the Bank's knowledge in this area. Furthermore, designing and implementing effective identity and registry projects can contribute to the Bank's fundamental objective of promoting *sustainable economic growth* by improving the coverage and reliability of services provided by the civil registries in the region. A continuous, efficient and transparent registration process is fundamental to promote social, economic and political inclusion.

III. PROGRAM OBJECTIVE AND DESCRIPTION

A. Objective

- 3.1 The main objective of this TC is to support Ecuador's Civil Registry to carry out key components of its modernization plan. The Bank will provide specialized technical assistance in the following specific areas: (i) legal framework (ii) organization and human resources; (iii) business model; (iv) operation model; and (v) technology infrastructure and communication (TIC).

B. Components

- 3.2 Component I. Legal Framework: Consulting services will be contracted to review the Civil Registry's legal framework seeking to introduce best international practices as well as the legal recognition of technological advances in the registry and protection of personal data. Areas that will be assessed include: the types of vital events to be registered in the civil registry of Ecuador; the relationship of the

civil registry with the other institutions in the country that, on the one side, rely on this source of data to perform their own functions, and, on the other, can be a source of data for the civil registry; the compulsory nature of registration and the specification of pertinent time limits; the registration procedure; the media for registering and storing the information, with a particular reference to the use of electronic and TIC-based supports; the legal value of the registration records and related certificates, and of electronic information. The key aspect of privacy of data will also be assessed in order to identify the necessary balance between individuals' right to retain private personal and family matters, and the public registry function.

- 3.3 Component II. Organization and Human Resources: (i) The TC will develop an institutional reorganization proposal to adequate the Civil Registry's organizational structure to the new technological infrastructure to be adopted by the Institution. The proposal, among other things, will include a new organization chart, the articulation of responsibilities between the central level and the local level, new processes and procedures along with the supporting manuals. The development of the re-organization proposal will be shared and discussed with the Civil Registry and all other involved institutions during two working seminar, one at the beginning of the analysis (for inter-institutional discussion on the status quo), one towards the end (to share and discuss the re-organization proposal); (ii) in addition, the TC will develop a comprehensive permanent training program to equip the Civil Registry staff with the skills and knowledge required to operate the new upgraded procedures and TIC equipment, and provide an efficient high-quality service.
- 3.4 Component III. Business Model: Develop a new business model proposal to ensure the Civil Registry financial and technological sustainability. This will involve an assessment of the fixed and variable costs to operate the registry, and the impact on budget of the TIC upgrades. A map of proposed fees for services and certificates will be proposed as a result of this assessment.
- 3.5 Component IV: Operation Model: One important objective of the Civil Registry modernization is to ensure the reliability of the registration process. The TC will support the adoption of streamlined procedures, manuals and develop training opportunities for all levels. This component will assist the Civil Registry to overcome the present situation of dispersion and unsystematic and informal procedures. The definition of the operation model will also provide feedback for the work on the legislative framework, given the need to re-organize the multiple regulations of various rank that currently rule the registration process.
- 3.6 Component V. Technology Infrastructure and Communication (TIC): Consulting services will be contracted to review and support oversight of the Civil Registry's incorporation of new technology and communication network for the purpose of providing a secure national identity document. This component will assess the entire present TIC infrastructure that supports the civil registry function, and will design its desired future architecture under the cost-effectiveness guiding principle.

The “as is” and “to be” analysis will cover: the network/intranet of the system (at the central and local level, as well as its articulation with the other institutions); the IT hardware equipment for data storage and for front-office operations; the software used; and the TIC security tools (firewall, anti-intrusion, anti-virus).

IV. COST AND FINANCING

- 4.1 The total estimated cost of the Project is US\$ 800,000, of which the Bank will finance up to US\$750,000 on a non-reimbursable basis with resources from the Italian Fund for Information and Communication Technology for Development (IID). The Government of Ecuador will contribute the equivalent of US\$50,000 in kind to support different activities associated with the TC.

COMPONENTS (all costs in US\$)	IDB – IID Fund	Local	Total
Component I. Legal Framework	40,000	10,000	50,000
Component II. Organization and Human Resources	190,000	10,000	200,000
Component III. Business Model	95,000	5,000	100,000
Component IV: Operation Model	95,000	5,000	100,000
Component V. Technology Infrastructure and Communication (TIC)	235,000	5,000	240,000
General support and services	65,000	15,000	80,000
Evaluation and final auditing	15,000		15,000
Contingency	15,000		15,000
TOTAL	750,000	50,000	800,000

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 The Project will be executed by the *Dirección General de Registro Civil, Identificación y Cedulación* (DGRIC), that will bear responsibility for technical aspects of Project implementation and basic responsibility. The project team, together with the Bank’s Country office, has assessed the institutional capability of the proposed Executing Agency, and has concluded that the *Dirección General de Registro Civil, Identificación y Cedulación* has the institutional capability to execute the project. The executing agency will carry out the procurement of goods and works as well as the selection and contracting of consulting services required for execution of this TC in accordance with the Bank procedures, standards, and policies for the procurement of goods and services (documents GN-2349-7 and GN-2350-7, respectively). In addition, according to the agreement establishing the IID, as amended, the executing agency shall use at least 50% of the resources granted from the IID to finance consulting services provided by individual consultants of Italian nationality or consulting firms and goods and services providers established and having their main place of business in Italy. Project supervision will be provided by ICF/ICS.

- 5.2 The Bank's Country Office in Ecuador (COF/CEC) will have the responsibility for supervision and disbursement.

VI. JUSTIFICATION

- 6.1 This project will provide the technical and managerial instruments necessary for the DRGCIC to implement the modernization of the institution, by focusing on strategic areas as agreed with the GoE. The preparation of the project will be highly interactive DRGCIC – IDB, with emphasis on strengthening of the executive capacity through designated workshops to analyze stakeholder framework, risk and monitoring mechanisms.

VII. MAJOR ISSUES

- 7.1 Given the urgent and pressing need to overhaul and modernize the civil registry and civil identification systems, the Government has prioritized this project, and DRGCIC is under considerable pressure to move this project forward. DRGCIC has already initiated activities such as the purchase of infrastructure, and the hiring of a firm to develop a new law for civil registration and identification. The Bank has confirmed its support to the modernization process by agreeing to work with DRGCIC and focus the technical cooperation on medium and long term goals and outputs.
- 7.2 Considering the number of direct and indirect stakeholders in the modernization process, ranging from the citizens of Ecuador, to line ministries, political authorities, civil registry workers unions, there are inherent risks to be considered. The plan of operations will analyze relevant risks and will be addressed in order to identify mitigation mechanisms.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 No negative environmental impacts are expected; and according to the Environment and Safeguards Compliance Policy GN-2208-20 and OP-703, the operation has been classified as "C".

IX. APPROVAL

Approval:

(Original Firmado)
Xavier Comas
Division Chief (ICF/ICS)

02/04/2009
Date

Concur:

(Original Firmado)
Carlos Melo
Country Representative (CAN/CEC)

02/02/2009
Date