

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	URUGUAY/CSC - Southern Cone
▪ TC Name:	Strengthening Smart City Capabilities in Uruguayan Medium-sized Cities
▪ TC Number:	UR-T1281
▪ Team Leader/Members:	Adler, Verónica (CSD/HUD) Team Leader; Gómez Reino, Juan Luis (IFD/FMM) Alternate Team Leader; Kim, Kida (CSD/HUD); Bouskela, Mauricio Simón (CSD/HUD); Ávila, Francy Dianela (CSD/HUD); Chapuis, Emilie (VPC/FMP); Milicich Nieto-Polo, Allizon Patricia (VPC/FMP); Casalino Franciskovic, Juan Manuel (LEG/SGO); Larralde Camacho, María Sofía (CSC/CUR).
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	19 Apr 2022
▪ Beneficiary:	Office of Planning and Budgeting (OPP)
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$400,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Not applicable
▪ Prepared by Unit:	CSD/HUD - Housing & Urban Development
▪ Unit of Disbursement Responsibility:	CSC/CUR - Country Office Uruguay
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability

II. Objective and Justification

- 2.1 The general objective is to strengthen Uruguayan's Departmental Governments capabilities in the provision of smart urban services, which would bring an improvement in investment management, governmental income, sustainability, and contribute to the development in terms of services provided to citizens. The specific objectives are to (i) identify opportunities for the improvement of subnational management through the use of ICTs; (ii) leverage Korea's expertise and knowledge in the design and implementation of Smart Cities; (iii) strengthen Uruguay's medium-sized cities' capabilities in Smart City policy decision making/technologies/strategies; and (iv) design at least 4 pilot projects in Departmental Governments, implementing Information and Communications Technology (ICT) in some of the following services: (i) street lighting; (ii) waste collection; (iii) traffic and mobility control in the urban environment; (iv) heavy vehicle traffic control in rural areas; (v) complaint management and citizen participation; and (vi) energy efficiency in public buildings.
- 2.2 According to the UN e-Government Survey, Uruguay is the leading country in the region in terms of digital government and the bigger exporter of software in Latin America. However, Montevideo, its capital city, is the only subnational government in Uruguay contemplated in international evaluations in terms of the use of technology, such as The IESE Cities in Motion Index 2019 and Fast Company Magazine. In this regard, there is a broad heterogeneity between Montevideo and the rest of the 18 departmental

governments of Uruguay. Therefore, there is a big opportunity for Smart City development in the remaining departments. Uruguay is a country conformed of 19 states (Departmental Governments): Montevideo is the capital city with 1,4 million people while the other 18 smaller departments concentrate 2,0 million people. Uruguay is one of the most urbanized countries in the region with more than 93.4% of the total population living in urban areas. Except for the city of Montevideo, the rest of the 18 departmental capitals are characterized by having a population of between 520 thousand inhabitants and 45 thousand inhabitants (Canelones is the most populated, while Treinta y Tres is the least). These 18 departmental cities are denoted in this proposal as medium-sized cities relative to the Uruguayan context. These cities present opportunities to modernize and strengthen the management of the services provided by the Departmental Governments with the use of ICTs which allow optimizing the use of resources.

- 2.3 **IDB Strategic Alignment.** This TC is consistent with the Second Update to the Institutional Strategy (UIS) 2020-2023 (AB-3190-2) and it is aligned with development challenges of: (i) Productivity and innovation, by providing meaningful recommendations to implement smart city strategies and replicable action plans; (ii) Institutional capacity and rule of law, by contributing to the strengthening of the Departmental Government's capacities through knowledge exchange of design and execution of works; and (iii) Environmental sustainability, by consolidating acquired knowledge to implement road maps that promote the waste collection, traffic control, and climate change.

III. Description of Activities and Outputs

- 3.1 **Component I. Analysis of State-of-the-art in medium-sized cities in Uruguay and Korean experience.** This component will be constructed to: (i) review the state-of-the-art and the Departmental Governments demands in the areas of public lighting, transportation, waste management, mobility, security, and citizen participation. The research will also include government policies, institutional frameworks, ICT infrastructure/environment related to smart cities, and smart technologies used in the focus areas; (ii) study the state-of-the-art in other subjects like road infrastructure, traffic management, population, and other topics related to transportation and mobility, security systems, prevention of disasters, emergency response and climate change; (iii) review Korea's state of the art and experience in the provision of similar city services to the ones in Uruguay; and (iv) carry out a seminar or workshop to share Korea's best practices in the areas in which the cities of Uruguay are lagging behind.
- 3.2 **Component II. Smart City Road Map and Action Plan for medium-sized cities in Uruguay.** Based on the analysis and validation of information and the one extracted from the Korean experience, the activities will compare the status of Uruguay's medium-sized cities with the development trajectory of Korean smart cities, and thus draw meaningful recommendations that would contribute to strengthen the Departmental Government's capacities to implement smart city strategies and actions plans. The activities will provide recommendation on (i) roadmap and architecture of smart city solutions focused on transportation and mobility, waste management, security, and citizen participation, including data collection, management, analysis, and application (e.g., Artificial Intelligence (AI), machine learning, analytics, drones, etc.); (ii) legal and institutional frameworks; and (iii) action plans on developing and implementing a smart city system and potential projects to be implemented.
- 3.3 **Component III. Pilot projects, Capacity Building, and Knowledge Dissemination.** To consolidate the knowledge acquired by previous components, the activities will contribute to the formulation of at least 4 pilot projects to promote the implementation of ICTs (depending on the road maps established in Component II, for their subsequent replication in sectors like street lighting, waste collection, traffic and mobility control in the urban environment, heavy vehicle traffic control in rural areas, complaint (claim)

management and citizen participation, public buildings, disaster prevention and climate change).

- 3.4 This component will be constructed to: (i) develop criteria to select and prioritize four pilot projects; and (ii) design of projects, developing monitoring and evaluating system for the implementation of projects using investment resources from the “Program for development and strengthening of fiscal and subnational service management II”, UR-L1164. Also, some resources will be allocated to carry out dissemination, publication, and workshops, etc.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Total Funding
Component I. Analysis of State-of-the-art in medium-sized cities in Uruguay and Korean experience	US\$50,000.00	US\$50,000.00
Component II. Smart City Road Map and Action Plan for medium-sized cities in Uruguay	US\$70,000.00	US\$70,000.00
Component III. Pilot projects, Capacity Building and Knowledge Dissemination	US\$280,000.00	US\$280,000.00
Total	US\$400,000.00	US\$400,000.00

V. Executing Agency and Execution Structure

- 5.1 The execution of the TC will be the responsibility of the Bank, under the technical responsibility and supervision of the Urban Development and Housing Division (HUD/CUR) and Fiscal and Municipality government Division (FMM/CUR), in coordination with the Bank's Country Office in Uruguay (CSC/CUR). The Office of Planning and Budget (OPP) will support the definition of the terms of reference and scope of the services, studies, consultancies, knowledge production, and review of reports
- 5.2 This scheme has been successful in other operations with the country since the Bank is Uruguay's main multilateral partner in structuring and financing technical cooperation. The activities of this operation will be included in a Procurement Plan and executed in accordance with the procurement rules and policies established by the Bank, namely: (i) hiring individual consultants, as established in standard AM-650; (ii) hiring consulting firms for services of an intellectual nature in accordance with policy GN-2765-4 and its associated operating guides (OP-1155-4); and (iii) contracting of logistics services and other services other than consulting, in accordance with policy GN-2303-28.

VI. Project Risks and Issues

- 6.1 Two risks evaluated with low severity were identified and are related to: (i) weaknesses in the management capacities of the Departmental Governments in the design and execution of works; and (ii) sustainability of the investments.
- 6.2 In relation to these, the following mitigation measures were identified: (i) generation of a project development team in the executing agency to fill in the management weaknesses of Departmental Governments that are so required; (ii) ensure facilitators in the mediation processes with the actors and apply participatory; and (iii) the complementarity of this project with the Subnational Development and Management Program (PDGS) would ensure the sustainability of the actions.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".