

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

TRINIDAD AND TOBAGO

E-GOVERNMENT AND KNOWLEDGE BROKERING PROGRAM

(TT-0056)

LOAN PROPOSAL

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ANNEX 1 – LOGICAL FRAMEWORK

APPENDIX – PROPOSED RESOLUTION

Electronic Links and References	
Basic Socioeconomic Data	http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata
Status of Loan in Execution & Loans Approved	http://portal.iadb.org/approvals/pdfs/TTen.pdf
Tentative Lending Program	http://opsgs1/ABSPRJ/tentativelending.ASP?S=TT&L=EN
Information available in the files of RE3/FI3	http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=754944
Detailed Budget	http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=755694
Draft Operating Regulations	http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=754915
Annex II: Procurement Plan	http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=796771
Annex III: Project Performance Monitoring Plan	http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=756230

ABBREVIATIONS

COF/CTT	Country Office Trinidad and Tobago
CESI	Committee on Environmental and Social Impact
GDP	Gross Domestic Product
G2B	Government to Business
G2C	Government to Citizen
G2G	Government to Government
ICT	Information and Communication Technology
IDB	Inter-American Development Bank
MPAI	The Ministry of Public Administration and Information
PEU	Project Executing Unit
PMD	The Programme Management Division
PROPEF	Project Preparation and Execution Facility
PSRIP	Public Sector Reform Initiation Programme

PROJECT SUMMARY
TRINIDAD AND TOBAGO
E-GOVERNMENT AND KNOWLEDGE BROKERING PROGRAM
(TT-0056)

Financial Terms and Conditions ¹				
Borrower: Government of the Republic of Trinidad and Tobago Executing Agency: Ministry of Public Administration and Information.			Amortization Period:	25 years
			Grace Period:	5 ½ years
			Disbursement Period:	5 ½ years
Source	Amount	%	Interest Rate:	Variable
IDB (OC)	28 million	80%	Supervision and	0%
Local	7.0	20%	Inspection Fee:	
Other/Cofinancing	0	0%	Credit Fee:	0.25%
Total	35	100%	Currency:	Single Currency
Project at a Glance				
<p>Project objective: The objective of the program is to increase the effectiveness and efficiency of public services via the expanded and more effective development and implementation of e-government solutions and via the transfer of knowledge on international best practices (Knowledge Brokering).</p> <p>Special contractual clauses: Prior to first disbursement:</p> <ul style="list-style-type: none"> (i) The Project Executing Unit should be established and key personnel hired, including the Program Coordinator, the senior e-government and knowledge-brokering advisors and the implementation officer. (Para. 3.4 and 3.5) (ii) The Operating Regulations, agreed to between the Bank and the Executing Agency, shall be enacted by the Executing Agency. (Para. 3.2) (iii) The presentation of the initial Annual Operating Plan, as agreed with the Bank and approved by the Executing Agency. (Para. 3.14) <p>Technical standards for ICT applications, agreed to with the Bank, shall be approved prior to the initiation of the design phase of the e-government component. (Para.2.22)</p> <p>Exceptions to Bank policies: None.</p> <p>Project consistent with Country Strategy: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Project qualifies for: SEQ<input checked="" type="checkbox"/> PTI <input type="checkbox"/> Sector <input type="checkbox"/> Geographic<input type="checkbox"/> Headcount <input type="checkbox"/></p> <p>This operation qualifies as a social equity enhancing program, as described in the indicative targets mandated by the Bank's Eighth Replenishment (Document AB-1704)</p> <p>Procurement: See paragraph 3.8</p> <p>Verified by CESI on March 17, 2006.</p>				

¹ The interest rate, credit fee, and inspection and supervision fee mentioned in this document are established pursuant to document FN-568-3 Rev. and may be changed by the Board of Executive Directors, taking into account the available background information, as well as the respective Finance Department recommendations. In no case will the credit fee exceed 0.75%, or the inspection and supervision fee exceed 1% of the loan amount (*)
(*) With regard to the inspection and supervision fee, in no case will the charge exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. FRAME OF REFERENCE

A. Socioeconomic framework

- 1.1 Trinidad and Tobago is enjoying rapid and consistent economic growth due to the rise in oil and gas prices, and increasing volumes of production. In 2005 GDP grew by 6.7%, and 7.5% per year on average since 2000. In relative terms, oil and gas exports per capita of Trinidad and Tobago are four times greater than those of Venezuela. Fiscal revenues, fueled by oil and gas revenues are expanding rapidly. In fiscal year 2004/2005 recurrent spending grew by 31%, while capital spending grew by over 60%.
- 1.2 While buoyant energy revenues are boosting the overall economy and fiscal revenues, the non-oil tradable sector is finding it difficult to compete, as local costs, including wages, are boosted by the demand fueled by the energy boom, while productivity gains are not sufficient to compensate for these increased costs. In 2005, the real effective exchange rate appreciated by over 6%. The non-oil part of the economy grew by less than 4% in both 2003 and 2004.
- 1.3 Macroeconomic management of the oil boom has been adequate. While government spending has grown continuously at a relatively rapid rate, fiscal surpluses have been maintained since 2003. Inflation had been kept at less than 4%, however it has begun to accelerate in 2005, due in part to sharply increased fiscal spending. The rapid growth of public spending is forcing the government to increase its absorptive capacity, with one measure being the establishment of 15 “Special Purpose Companies” (SPCs) to address the “skill shortages and cumbersome bureaucratic procedures” of central government.
- 1.4 Trinidad and Tobago is quite advanced in terms of its social development. Life expectancy is 72 years, and over 98% of the adult population is literate. While primary education is universal, coverage of tertiary education, which is vital for a knowledge-based economy, is low, with a gross enrollment rate of only 6.5%. Moreover, while per capita income is high for the region, close to US\$8,000 per capita, categorizing Trinidad and Tobago as an upper middle-income country, there is considerable poverty. It has been estimated that about one-third of the population lives below the national poverty line.
- 1.5 Authorities recognize the mixed blessings of a natural resource based economy, and have worked with the private sector and civil society to develop a strategy -- entitled Vision 2020¹ -- which has the goal of bringing Trinidad and Tobago to a developed country status by the year 2020. Vision 2020 calls for the investment of oil revenues in human capital and infrastructure to increase the productivity of the economy.

¹ See www.vision2020.info.tt

- 1.6 In addition, in 2003 the Government with the private sector developed, with Bank assistance, a comprehensive National Information and Communication Technology (ICT) plan, entitled *fastforward*², whose goal is to transform the country into a knowledge-based society, through a greater and more effective use of ICT. This is a goal shared with Vision 2020.

B. Improving Public Services

- 1.7 The government recognizes that the quality of public services is deficient. Their own survey of public perception in 2005 found that only 16% of the public considered public services efficient. To improve services, many individual ministries have specific plans, which they are attempting to implement, but there is a scarcity of government-wide initiatives. The most important is a longer-term effort to address structural constraints, which would allow for the transformation of the public sector and fundamentally improve government effectiveness, efficiency and transparency. The Bank is supporting this effort through the Public Sector Reform Initiation Program (PSRIP) (TT-0057), which is designed to lay the foundations for a comprehensive public sector reform by developing a roadmap and strengthening capabilities for its implementation³.

1. Institutional and human resources capacities

- 1.8 Trinidad and Tobago's public bureaucracy is characterized by a stable civil service, which keeps political patronage mostly at bay and ensures low staff turnover ratios. However, the civil service tradition is not a sufficient attribute to ensure an efficient, fully transparent and effective public sector. Trinidad and Tobago's Public Sector suffers from structural issues that prevent it from performing at desired levels and crowding out resources for needed capital (physical and human) investment. Among these, perhaps the most important are: high current-to-capital expenditure ratio, a large and bottom-heavy civil service, an inadequate incentive structure with a high degree of wage compression, centralized core management functions, inadequate decision making process, and provision of public goods and services below desirable levels.
- 1.9 While the aforementioned PSRIP is designed to prepare the government for addressing these structural issues in the longer term, institutional and human resource constraints are current and serious impediments to the public sector's ability to respond to internal and external client demands, and they need to be addressed in a more immediate manner. A recent informal survey of permanent secretaries reported shortcomings in the capacity of their human resources in all of their ministries, and common requests for assistance to address these shortfalls. An analysis of human resource needs in the public sector found significant human resource deficiencies at all levels and across a broad range of employment

² See www.fastforward.tt

³ On a smaller scale, a Public Service Academy has been established to provide customized training for public sector services.

categories, especially technical skills, public policy and administration, regulation and program management.

- 1.10 In government's experience, many traditional methods of building capacity have fallen far short of expectations. Even when they have been successful, the positive effects have largely been temporary and have often not contributed to building institutional capabilities.
- 1.11 Efforts to fill gaps in the capabilities of public institutions with external resources have included: (i) hiring of consultants, both local and international; (ii) recruiting contract employees; and (iii) engaging the services of various local and international agencies and institutions. Each of these has presented challenges for their success. Even with the offer of salaries that are substantially higher than those available for the civil service, public service agencies have not always been able to secure the caliber of contract employees who possess the skill and expertise that they desire. On many occasions the contract employees require further training and experience before they can function at the required level, and often leave for the private sector once they have reached a satisfactory level of performance. Moreover, the consultants have tended not to be expert practitioners who can provide operational and technical know-how on how to best improve an institution's performance. As a result, there tends not to be an effective transfer of knowledge to staff or the institution as a whole.
- 1.12 Measures to address human resource constraints by focusing on methods to directly improve the capabilities of public sector employees have also faced mixed results. These have included (i) the offer of scholarships, and (ii) the provision of training, both on-the-job and classroom. In many instances the response to scholarship offers has been limited and where there have been responses, the candidates have often been unqualified. Training, too, for public sector employees has on occasion been ineffective. As in the case of training for consultants, there are numerous instances of public officers who after having received extensive training have been lured away by the private sector or contract positions in other public service agencies.
- 1.13 Partially in response to the shortcomings of other approaches, public sector managers have sought to recruit new staff and have increasingly used short-term contractors. Due to the structure and regulations that relate to public sector recruitment as well as market conditions, many ministries, as in the case of longer term consultants, are unable to attract experienced practitioners and have elected to recruit contractors from the private sector, who do not have public sector expertise, as well as a younger cadre of professionals who have the requisite qualifications and aptitudes but do not have a great deal of experience in public management. It is especially this cadre of young professionals that the public sector needs to coach and mentor in order to build institutional capacity.
- 1.14 These experiences have demonstrated the need for a more effective mechanism with more permanent effects to build institutional and human resource capacities.

The Ministry of Public Administration and Information (MPAI), which is charged with leading initiatives to improve public sector effectiveness, has a recent experience with a mechanism that appears to address some of the shortfalls of previously tried approaches. MPAI secured the services of a highly experienced practitioner and expert in telecommunication regulation. By working closely with MPAI staff to transfer specialized knowledge and providing coaching and mentoring to them, the progress in implementing telecommunication reforms was accelerated, the capabilities and knowledge on best practices advanced, and the breadth of this transfer of knowledge to staff at various levels of the ministry allowed for an improvement of the institutional capabilities of the ministry as a whole.

2. Development of e-Government

- 1.15 It has been shown that the effective use of ICT in support of public sector modernization can reduce the costs of government operations, and also be used to improve the quality of government services, in ways such as increased accessibility, responsiveness, transparency and accountability. In order to achieve these benefits, the government recognizes that it is necessary to move beyond simple automation of functions, and concentrate on how ICT can be used to transform the broader public service, incorporating measures to address processes, organizational structures and human capital. E-government⁴ can be viewed as this integral and comprehensive use of ICT to improve public services.
- 1.16 Currently, the development of e-government in Trinidad and Tobago is at a low to intermediate level. An indicator of this is that overall e-readiness of the government was ranked 68th out of 117 countries by the World Economic Forum, a ranking that puts Trinidad and Tobago only in the middle of Bank borrowing countries, while the country's per capita income positions it near the top. In addition, the use of the Internet for the actual provision of services is very limited. Although around 50% of Ministries have websites, most of them provide only basic information. There are no transactional applications, and only 5 interactive services available. One of the main deficiencies limiting e-Government applications is the absence of adequate back-office information management systems.
- 1.17 **Current e-Government Efforts.** Ministries are active in the ICT sector, mainly investing in infrastructure and implementing isolated ICT applications. In a limited number of cases, e-Government applications are being implemented. Of 71 ICT projects budgeted for 2006, only 8 can be considered significant e-Government applications. The majority of these e-Government projects are vertical applications in separate ministries⁵.

⁴ E-government is the application of ICT combined with process reengineering and measures to facilitate institutional changes (change management) in order to increase the effectiveness and efficiency of public institutions, both with regard to internal operations and the improvement of services to clients.

⁵ There are a few government-wide applications, such as Financial Management, Payroll and Human Resources management systems that have been under development for several years.

- 1.18 There are several key constraints limiting the development of e-Government solutions:
- i. In most ministries there is not the required technical capacity to design and implement e-Government solutions caused in part by the difficulty to attract and retain ICT expertise. In addition, there continues to be a perception that e-Government is limited largely to Web applications.
 - ii. To date, there has been little collaboration or coordination between ministries for e-Government projects. This leads to a higher incidence of duplication of effort, missed opportunities for capitalizing on economies of scale, and a limited capacity to develop more comprehensive and integrated projects between ministries. For the most part, ministries continue to work in silos, a term indicating that projects are conducted without any due consideration or connection with to efforts in other parts of the public sector.
 - iii. For most ministries there are insufficient budgeted resources to finance comprehensive e-Government projects. Moreover, the budgeting process can complicate the planning and implementation of projects.
 - iv. There tends to be a lack of attention paid to the need to incorporate change management or process reengineering in projects, critical elements for successful e-government solutions.
 - v. In many ministries, there appears to be a lack of understanding of the advantages of e-Government at decision-making levels, which in turn leads to a lack of support for e-Government initiatives.
 - vi. There tends to be a lack of effective project management skills, which hinders project implementation and limits capacity to meet project objectives.
- 1.19 **e-Government Strategy.** As part of *fastforward*, a Government ICT Action Plan has been developed to lay out a strategic framework to promote e-Government throughout public sector. The plan includes 5 strategies: (i) Electronic Service Delivery Strategy, which includes the Government Portal project; (ii) Public Sector Reform Strategy using ICT; (iii) e-Government Awareness and Access Strategy; (iv) e-Health Strategy; and (v) Electronic Public Security Strategy.
- 1.20 Implementation of these strategies is expected to result in the meeting of the following goals: (i) All ministries, agencies and departments connected; (ii) All appropriate government services available electronically; (iii) A Government Portal and Intranet created; (iv) All necessary enabling legislation implemented; (v) All necessary training and skills in place; (vi) Government service delivery standards improved; and (viii) Government as a “model user” of ICT.
- 1.21 The government has implemented a series of measures that facilitate the implementation of this action plan. These include: (i) the naming of a Chief Information Officer for the public sector and the establishment and staffing of the

ICT Division in the MPAI, which includes amongst its responsibilities the coordination of the Government ICT Action Plan; (ii) the design and implementation of an electronic backbone to connect all government agencies⁶; (iii) the development of a government portal to provide a single window for access to government information and services on the Internet, expected to be operational in March 2007; (iv) the establishment of a *fastforward* Steering Committee, which includes amongst its activities the executive oversight of the Government ICT Action Plan; (v) the initiation of an inter-Ministry process to prepare and establish a set of technical standards and guidelines for ICT applications, including those for e-government projects, in order to ensure the interoperability of ICT applications and facilitate the complementarity and interoperability between e-government solutions;⁷ (vi) the establishment of a forum of Chief Information Officers of all ministries to share information and facilitate the coordination between projects; and (vii) the development by the ICT division of a Knowledge Management Data Base that would include information on all ICT applications, including e-government projects.

1.22 A series of factors constrain the meeting of the plan's goals in a timely manner:

- i. There is not a demand-driven approach to address the specific needs and priorities of line ministries.
- ii. A comprehensive and coordinated promotion and awareness campaign has not been implemented. This has limited the interest in, and knowledge of, e-Government by public institutions.
- iii. The current legislative and regulatory framework to support the provision of e-Government services is not adequate, particularly with regard to security, privacy, electronic documents, and digital signatures. To address the shortcomings the government is engaged, with Bank support, in a comprehensive review and the development of an action plan of measures to strengthen the legal and regulatory framework.

C. The Program strategy

- 1.23 The program is designed to improve the quality of public services by supporting two initiatives, one designed to strengthen institutional and human capacities and the other to provide a more effective means to deliver public services through the use of ICT. The former would focus on the establishment and implementation of a new mechanism to promote the transfer of knowledge on how best to conduct government operations. The latter would promote the design and implementation

⁶ Phase I of the Government backbone (Government Wide Area Network GWAN) project has been completed, connecting 230 sites, providing a support helpdesk and running the human resource and financial management systems over the backbone. Phase II will see the expansion of the network to an additional 1000 sites over the next 2 years

⁷ This set of technical standards and guidelines is expected to be completed and approved by early 2007 and would be complemented by an Information Management Strategy that is being developed with the support of the Public Sector Reform Initiation Program.

of e-Government solutions. These initiatives were selected because they should have impact relatively quickly with long-term benefits, reflect Government priorities, and have significant evidence of effectiveness.

- 1.24 **Knowledge Brokering.** Given the problems the government has faced with the efforts to strengthen institutional and human resource capacities as explained in section B.1, it is looking for a more effective mechanism to meet this goal. By focusing on the transfer of knowledge to participating public institution in areas, which they have identified as priorities, the program should build capacities on a more permanent basis rather than trying to temporarily fill the shortcomings of existing resources, which has largely been the focus of previous efforts. The proposed knowledge-brokering component, which would finance a range of modalities for effective knowledge-transfer, would support this more permanent approach. The knowledge brokering mechanism of the program is based on the previous experience of MPAl. While there is evidence of its effectiveness, it is an innovative, and as yet unproven, approach that would be tested through the implementation of the program.
- 1.25 **e-Government.** In this area, the program is designed to support government efforts to accelerate the implementation of effective e-government, in a manner that responds to the specific needs of public institutions and that contributes to national e-government goals. The program responds to the constraints that the public sector has faced with the development and implementation of e-government solutions to date. In particular, it would support the implementation of projects of individual public institutions via a demand-driven mechanism, as explained below. The supported projects would be required to put emphasis on incorporating change management and process reengineering. The program would also enhance the coordination between e-government projects and include promotional efforts to different audiences to build political support and broaden the understanding of the nature and benefits of e-government. Finally, to address the lack of technical and program management capabilities in ministries, the program would also provide technical assistance to participating public institutions for proposal preparation, detailed project design and program management.
- 1.26 Both components would utilize a flexible demand-driven mechanism where public institutions would present projects on an ongoing basis for selection and financing. Under this mechanism, specific activities supported by the program would be defined during execution of the operations, rather than defining them in detail during project preparation, as is customary for institutional strengthening programs and most investment projects. This innovative demand-driven approach is used for several reasons. They include: (i) ensuring that participating public institutions have strong ownership for the projects supported by the program and that projects respond to their specific needs; (ii) providing the ability to adjust to changing needs over time; (iii) facilitating participation by a wide variety of public institutions; and (iv) allowing for a shorter time to prepare the loan program. In addition, Trinidad and Tobago has demonstrated difficulties with the

timely execution of programs. This more flexible approach, in which authorities can easily make adjustments and tailor execution more closely to the requirements and capabilities of participating institutions, should allow for more effective implementation.

D. The Bank's Country Strategy

- 1.27 The Bank's Country Strategy for Trinidad and Tobago (GN-2335) addresses three major challenges. These include: (i) promoting private sector development to increase economic diversification; (ii) promoting public sector modernization to increase efficiency and effectiveness, and to upgrade capacity, and (iii) promoting social development by improving the provision of social services. The proposed program would specifically address the second goal by promoting and facilitating the implementation of effective e-government solutions, and by strengthening public sector institutional and human resource capacities.
- 1.28 Regarding public sector modernization, the strategy highlights the importance of the PSRIP, but encourages the development and implementation of programs that meet the most pressing needs for public administration in the near term, such as those addressed by the proposed program. This allows the Bank to support improvements in public sector service delivery prior to the implementation of longer-term measures that address structural constraints. Moreover the strategy establishes criteria for the prioritization of public sector modernization programs based on their consistency with the preparation and eventual implementation of the roadmap for comprehensive public sector reform, which is the focus of the PSRIP. In this regard, the proposed E-government and Knowledge Brokering Program would complement the PSRIP and help to prepare the public sector for reform by providing practical lessons learned regarding the facilitation of internal changes in ministries, the implementation of limited reforms at the ministerial level, and the effectiveness of innovative modalities to strengthen the capacities of public institutions.

E. The Bank's Sector Strategy

- 1.29 The Bank's strategy for Modernization of the State (GN-2235) has identified the following areas for Bank action in this sector: a) develop and strengthen civil service systems under the criteria of merit and flexibility; b) strengthen the fiscal capacity of the state and improve efficiency and transparency in expenditure management; c) improve the capacity for coordination of strategies and public policies, especially those that fight poverty; d) modernize public services management; and e) use the potential of knowledge and information technologies in public management. The proposed program focuses on the implementation of objectives (d) and (e).

F. Lessons learned

- 1.30 The Bank has experience with the areas and operating mechanism of the program that provide lessons learned, which have been incorporated into the design of the program.
- 1.31 Given the innovative nature of knowledge brokering, the Bank does not have direct experience but has extensive experience in projects aimed at the institutional strengthening of public institutions. Amongst the key lessons learned are the need: (i) to establish an effective incentive framework for project participation; (ii) to try to minimize political interference; and (iii) to ensure that there are sufficient technical resources to provide effective supervision and execution of the projects.
- 1.32 Regarding e-Government, the program can draw on the experiences in the region and other countries as well as the increasing experience of the Bank. Amongst the key lessons learned are the need: (i) to have political support; (ii) to ensure that projects follow a comprehensive approach focused on the final users; (iii) to put a priority on process reengineering and change management; (iv) to be flexible regarding technical specifications of specific projects, as technology changes quickly and programs need to allow for adjustment to these changes; and (v) to ensure that general technical standards and guidelines are established in order to ensure compatibility and interoperability between e-Government solutions.
- 1.33 In addition, the United Kingdom's e-government initiative has followed a demand-driven approach, which has proven to be successful. Its effectiveness was found to be enhanced by the eventual development of a national e-government strategy that, amongst other elements, set common goals and guidelines for the design and implementation of e-government projects.
- 1.34 With regard to demand-driven mechanisms, they have been used in a wide range of programs such as social development funds, rural finance and competitiveness enhancement. Common lessons learned include: (i) the need to establish an effective incentive framework for project participants that encourages the attainment of project goals through appropriate eligibility and selection criteria; (ii) the need for an agile selection and approval mechanism to reduce transaction costs for participants; and (iii) flexibility for participants to select qualified service providers by not limiting the pool from which they can choose.

G. Coordination with other Donors

- 1.35 Discussions have been held with the World Bank on how the respective projects of each institution can be mutually supportive. The World Bank, working with regional organizations involved in ICT, is in the early stages of the development of a possible regional initiative that would attempt to identify some pilot programs, in which an e-Government application that has been successful in one Caribbean country would be transferred to another. Given similar operating conditions, it is expected that these applications should be easier to transfer, and

should allow for significant cost and time savings. Trinidad and Tobago could potentially participate in this initiative. The proposed Bank program would facilitate this participation, as it could support the transfer and implementation in Trinidad and Tobago of an application developed in another Caribbean country, or develop an application that could be transferred.

- 1.36 Several donors, including the World Bank and the United Nations, support institutional strengthening in individual ministries. The program should complement these efforts.

II. THE PROGRAM

A. Objectives

- 2.1 The **objective** of the program is to increase the effectiveness and efficiency of public services via the transfer of knowledge on international best practices (Knowledge Brokering) and via the expanded and more effective development and implementation of e-government solutions.

B. Description

1. Promotion of the Program (US\$200K)

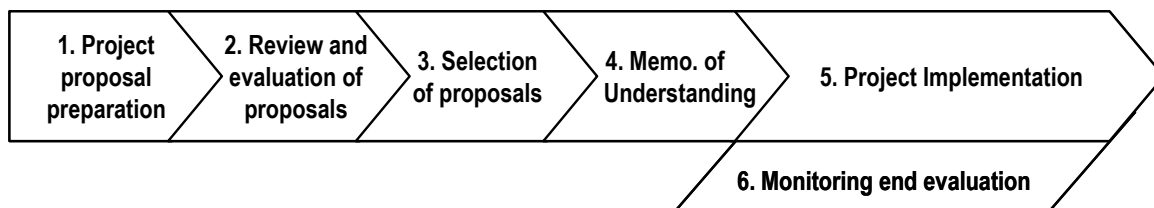
- 2.2 Given the innovative nature of this program, and the use of demand-driven mechanisms, significant efforts need to be devoted to promotion. The objective of this component is to develop a comprehensive promotion campaign and mechanisms to disseminate the results of the program. The promotion should build demand for the program, increase awareness about e-government, build political support for the program and promote the use of e-government solutions developed by the program.
- 2.3 It would include: (i) Development of a promotion strategy; (ii) A series of tailored promotion seminars targeted to different audiences, including Ministers, Permanent Secretaries, Deputy Permanent Secretaries, the Human Resources Management Forum, the Chief Information Officers Forum, and Technical and Supervisory Staff in ministries and other public institutions. These seminars would be conducted at the initiation of the program as well as 2 years after initiation, in which the content of the seminars would be updated using the results of the program; (iii) A project initiation workshop, in which all of the key actors involved in the program, including the IDB, as well as representatives from line ministries and their respective state agencies would participate; (iv) A program website, which would include, amongst other items, an explanation of the program, instructions on how to participate, information on best practices from international experiences, updates on the implementation of the program and lessons learned, as well as information on how to use the program's e-government solutions; (v) A proactive series of meeting between the Project Executing Unit

and prospective participants, in which the expected benefits and means of participation would be explained. When possible, agencies that have participated in the program would be invited to participate in these meetings to discuss their experience and provide a demonstration effect; (vi) A program newsletter, which would detail the experience of the program, planned events and explain best practices in the areas, in which the program operates; (vii) A media campaign to publicize program events and results, and disseminate information on the availability or new e-government solutions and how to use them; and (viii) Information on the web-site to explain the program and opportunities to potential contractors.

2. Knowledge Brokering (US\$8.6M)

- 2.4 The objective of this component is to improve the institutional and human resource capabilities of public institutions through effective knowledge-transfer. Knowledge transfer would be promoted and facilitated by establishing situations where staff can work or interact closely with experts in their field. The component provides a mechanism to facilitate the adoption of best practices in the areas of particular need of participating institutions, adapted to the institution's resource constraints and the Trinidad and Tobago context.
- 2.5 The component would finance a range of modalities, but would focus on: (i) the contracting of expert practitioners from other countries to work with public institutions to provide technical, policy or management advice, as well as coaching and mentoring; and (ii) secondments of staff to other countries, in some cases facilitated by a twinning arrangement with the foreign institution. Some other modalities could include: (iii) the establishment of relationships and interaction by local public officials with regional and international professional associations; and (iv) the participation of local public sector officials in technical and policy forums. More than one modality could be included in a project.
- 2.6 As noted earlier, a demand driven mechanism will be used to select projects, where public institutions would present proposals for funding based on the meeting of transparent and objective eligibility and selection criteria designed to ensure that effective projects are selected and financed. Proposals would be considered on a first-come first-served basis.

Figure I. Operating mechanism for Knowledge Brokering projects



- 2.7 **Project preparation and application.** Participating institutions would be responsible for the preparation of knowledge brokering project applications (proposals). These applications would include, amongst other elements: (i) a description of the problems to be addressed; (ii) a description of the proposed project and activities, and a justification for this project; (iii) objectives and project outputs; (iv) a description of the participating institution's strategy or plan to which the proposed activity is a part or a step in its development; as well as (v) a plan for knowledge transfer, including the designation of staff to work on the knowledge brokering project. These applications would be presented to MPAI for consideration.
- 2.8 **Eligibility criteria.** A Project Executing Unit (PEU) in MPAI would evaluate the applications to determine if they meet eligibility and selection criteria. The eligibility criteria include: (i) that the proposed project is a knowledge brokering project as defined in paragraph 2.4; (ii) that the application is complete and is endorsed by the respective Minister; and (iii) that the cost estimate is between US\$50,000 and US\$500,000. For projects that do not meet the eligibility requirements, a notification of the decision would be sent to the applying public institution, which would include a justification for the decision and the offer of technical assistance to prepare a proposal. This technical assistance would also be available before a proposal is submitted by the Ministry, and could also include a needs assessment.
- 2.9 **Evaluation of projects.** For projects that meet the eligibility criteria, the project would then be evaluated by the PEU based on selection criteria that concentrate on ensuring that the participating institution is prepared for efficient and effective knowledge transfer. The selection criteria would be that: (i) the proposed project is part of a plan or strategy to improve the functioning or service delivery of the applying institution, or is a step in developing such a plan; (ii) there is an action plan for effective knowledge transfer; (iii) staff have been designated to work on the project, and that the members of the team: (a) are working in areas relevant to the proposed Knowledge Brokering project; (b) have positions that can apply the knowledge, which the project intends to provide and facilitate commitment to the execution of the project; and (c) have access to decision makers in the beneficiary institution in order to propose initiatives derived from the knowledge brokering

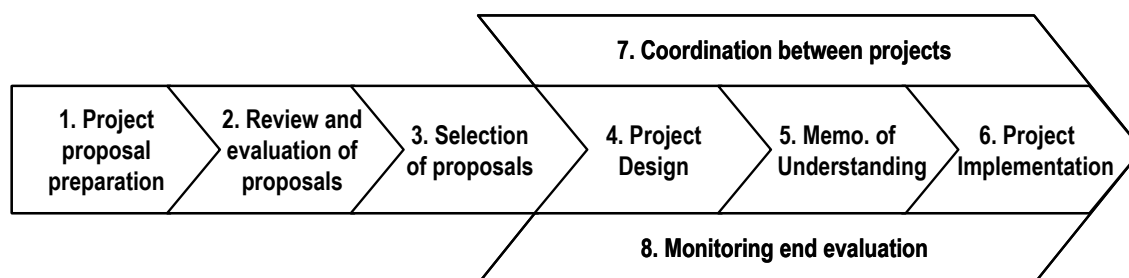
project; and (iv) the project has clearly defined outputs and mechanisms to monitor them.

- 2.10 **Selection of projects.** The applications with their evaluations would go to a Selection Committee, comprised of a representative of the Public Service Academy, the chief of the Public Sector Transformation Division of MPAI, and a representative from the private sector or academia. Efforts will be made so that the Selection Committee would be comprised of persons with skills in human resource development, organizational transformation, public policy and research. The IDB may participate as an observer, which is expected to always take place for the initial 5-10 projects. The composition of the selection committee was based on assembling officials that combined expertise on the subject with independence of judgment. The PEU would serve as the secretariat of the committee and be available to respond to technical issues that may arise, while a representative of the applying ministry would be present to address questions about the proposal. The selection committee would review the application and the evaluation and recommendation of the PEU, assess commitment to carrying out the project, vote on the acceptance of the project based on the selection criteria and justify their decision. If rejected, similar to the case of rejection, a communication would be sent by the PEU explaining the reasons for the rejection and an offer of technical assistance provided.
- 2.11 If approved, a **memorandum of understanding** would be prepared for approval and signature by the applying line ministry and MPAI. The memorandum of understanding would delineate the responsibilities of each institution for the implementation, monitoring and evaluation of the project.
- 2.12 **Implementation** would follow the specifics of each modality. For example, in the case of the contracting of an international expert practitioner, terms of reference would be drafted and the identification, selection and contracting of the expert would be undertaken, followed by the conduct of the assignment by the expert, working with the team assembled to ensure effective knowledge transfer. In the case of secondments, agreements with the foreign organization would be finalized, and the participating official would take part in the secondment, with specific goals and results defined.

3. e-Government Solutions (US\$20.1M)

- 2.13 The objective of this component is to promote the timely design and implementation of effective e-Government solutions. A similar demand driven mechanism and process will be utilized.
- 2.14 The component would finance a range of different e-Government solutions: (i) Government to Government (G2G); (ii) Government to Citizens (G2C); (iii) Government to Businesses (G2B); and (iv) Government to Employees (G2E).

Figure II. Operating mechanism for e-Government solutions



- 2.15 **Project preparation and application.** Participating institutions would prepare e-Government solution applications (proposals) for consideration for financing. These applications would include, amongst other elements: (i) a description of the problem to be solved; (ii) definition of objectives of the proposed e-Government solution, as well as expected outputs, outcomes and benefits; (iii) a description of the e-Government solution and its justification; (iv) potential risks and plan to mitigate them; (v) a proposed budget; and (vi) a description of the Project Management structure.
- 2.16 For eligible institutions that have defined a project concept but need help to prepare a proposal for funding, technical assistance would be available to analyze the project concept, prepare a revised e-Government solution proposal and in some cases for smaller and less complicated projects also prepare the bidding documents for its implementation. For eligible institutions that have difficulty in identifying a proposal, more comprehensive technical assistance could be provided that would also include the development of an E-Government Strategy and Plan.
- 2.17 **Eligibility criteria.** The PEU would evaluate the applications to determine if they meet eligibility and selection criteria, also designed to ensure that effective projects are selected. The eligibility criteria include: (i) that the proposed project is for the design and implementation of an e-Government solution as defined in footnote 4; (ii) that the application is complete, signed by the Permanent Secretary and endorsed by the respective Minister; (iii) that the e-Government solution is aligned with Government priorities: Vision 2020, *fastforward*, Line Ministry Strategic Plans or other initiatives with high visibility and responsiveness to Government's strategic and policy imperatives; and (iv) that the cost estimate is between US\$100,000 and US\$3,000,000. For projects that do not meet the eligibility requirements, the PEU would meet with the applying institutions to

provide advice on how the proposal could be strengthened to meet eligibility requirements.

- 2.18 **Review and evaluation of projects.** For projects that meet the eligibility criteria, the project would then be evaluated by the PEU based on selection criteria. This evaluation would require an analysis of the application, as well as an interview with the responsible officials in the ministry or state agency. The selection criteria focus on the expected impact of the project and the alignment of the project with other solutions under consideration or implementation. The criteria would be divided into three sets: (i) *External efficiency to customer*, including (a) time savings; (b) direct cost savings; (c) greater transparency; (d) improved access to public services, and (e) providing new services or information; (ii) *Internal efficiency*, including (a) a reduction in processing time and/or operating costs; (b) an improvement in the quality and breadth of information to support decision making; (c) improve the management of resources; and (iii) *Complementarity*, including that (a) more than two institutions take part in the project; (b) there are benefits to other institutions not involved in the project; (c) there is potential to replicate the project in other institutions, and (d) there is a link or integration with other e-Government solutions. It is expected that a proposed project would only meet a set of these criteria. Complementing these selection criteria, there would be additional aspects for evaluation: (i) technical feasibility of the project; (ii) legal feasibility of the project; and (iii) review of the timing and cost estimate of the project.
- 2.19 Based on the evaluation, the PEU would make a recommendation regarding a positive or negative response to the application based on the following two conditions: (i) that the project is technically and legally feasible; and (ii) that the proposal meets at least 4 of the selection criteria, with at least one of Complementarity criteria; or the proposal meets at least 3 selection criteria among Internal Efficiency and Complementarity. The latter rule is necessary in order to avoid a bias against projects that focus on back-office operations. The ICT division would provide assistance in the evaluation of the complementarity criteria.
- 2.20 **Selection of projects.** There would be two different Selection Committees: one for projects with a cost estimate of US\$500,000 or under, comprised of senior staff of the Public Sector Transformation Division and the ICT division, and a representative from the private sector or academia; and another committee for projects with a cost estimate above US\$500,000, comprised of Permanent Secretaries from the Ministries of Finance, Planning and Development, and Public Administration and Information, as well as the Head of the Public Service, and a representative from the private sector or academia. The IDB could participate as an observer, which is expected to always take place for the initial 5-10 projects. The composition of both Selection Committees is based on assembling officials that combine expertise on the subject with independence of judgment, as well as assigning levels of responsibility in relation to the cost and scope of projects. The

PEU would serve as the secretariat of the committee and be available to respond to technical issues that may arise.

- 2.21 The applications with their evaluations and a recommendation would go to the respective Selection Committee. The Selection Committee would review the application and the evaluation and recommendation of the PEU; vote on the acceptance of the project based on the selection criteria; and justify its decision. If rejected, a communication would be sent by the PEU explaining the reasons for the rejection and an offer of technical assistance provided.
- 2.22 **Design phase.** Selected proposals would go to the design phase of the project. In this phase specialized consultants would be hired to conduct a detailed design of the proposed project and prepare the bidding documents for its implementation. The design of the project would be preceded by discussions with the participating institution regarding options for the design and implementation of the proposed e-government solution and an evaluation of target client/user needs and level of satisfaction with current service delivery. The detailed design would include the identification and description of: (i) the functional requirements and the technical specifications of the e-Government solution, which should be in line with the ICT technical guidelines and standards under development;⁸ (ii) the process reengineering and change management requirements; (iii) timing for implementation and completion of project; (iv) a detailed cost estimate; (v) required inputs in terms of both goods and services; (vi) requirements for an action plan to promote the use of the provided electronic services; (vii) outputs and outcomes with the definition of baseline data for outcomes; (viii) monitoring and evaluation mechanisms; (ix) the terms of reference for a project manager when it is considered necessary to strengthen the management capacity of the beneficiary institution; (x) training requirements for the effective operation and maintenance of the implemented e-government solution; and (xi) the identification of necessary legal and regulatory changes that the participating Ministry can resolve.
- 2.23 A **memorandum of understanding** would be prepared for approval by the applying line ministry and MPAI once the design phase of projects is completed.
- 2.24 **Implementation phase.** The implementation of projects would begin with the procurement process to select and contract consulting firms that would be responsible for the implementation of the project, as well as a project manager to assist the participating institution manage the project and effectively supervise the consulting firm and the projects' implementation. A team of staff from the participating institution would be assembled to work closely with the consulting firm in the implementation of the project to facilitate the transfer of knowledge and improve the technical capabilities of the institution. This should contribute to the sustainability of the project.

⁸ A special condition of the program would be that technical standards, agreed to with the Bank, would be put into force prior to initiation of the design phase of the e-government component.

- 2.25 **Coordination between projects.** Coordination between projects of the program and with other e-government projects is critical to facilitate the integration of solutions, the sharing of knowledge and resources, promoting shared use/replication of applications and avoiding duplication. Coordination would also contribute to a more effective and efficient utilization of resources and should create possibilities for economies of scale. There would be two different modalities for coordination: (i) the PEU would be responsible for the coordination between projects of the program; and (ii) the ICT division, given its responsibility to manage the implementation of the Government ICT Action Plan, would lead the coordination efforts between projects of the program and other e-government projects, using the recently established forum of Chief Information Officers as a key instrument for this coordination. These efforts would also be supported by the *fastforward* Steering Committee. Finally the recently established Knowledge Management Data Base of ICT projects would facilitate coordination activities.
- 2.26 **Use of solutions by final users.** Several mechanisms will be used to help ensure that implemented solutions will be used by the final users, for which they are designed. The first would be the design and implementation of the plans to promote the use of individual projects, which could include measures, such as, the design of systems with simplified access and utilization requirements, communication to users of current systems, and targeted smaller-scale promotion to potential new users. The second would be the development of an Internet community access program that would substantially increase potential users of web-based e-government solutions, and would be specifically designed to promote citizen access to, and use of, on-line public services. The design of this program and the establishment of pilot centers are being financed by the program's PROPEF. Finally, the program's overall promotion campaign would provide information, via the media and the program website, on the availability of new e-government solutions.
- 2.27 **National E-government Strategy.** In 2008 the goals of the E-government component of *fastforward* are targeted to be achieved and lessons learned about the initial projects of the program would be available by then. In preparation for beyond 2008, the government expects to develop, through an inter-ministerial consultative process, a more comprehensive and operational national e-government strategy. The new national e-government strategy would establish strategic guidelines, common objectives and goals and a comprehensive approach for the design and implementation of e-government project. The strategy would help coordinate the government's e-government efforts and would facilitate the utilization of international best practices adapted to the conditions in, and the needs of, Trinidad and Tobago. Once the strategy is approved the alignment criteria of the e-government component of the program would be revised to require that eligible projects are consistent with this strategy.
- 2.28 While this strategy should help to ensure more effective coordination between projects and provide guidance on their design and implementation, it is not necessary to have this strategy in place at the initiation of the program, as an

adequate coordination mechanism is already in place. Moreover, in the near term the Government E-government Plan of *fastforward* is sufficient to orient projects. Finally, the government does not consider it necessary to revise the current e-government strategy before 2008.

C. Cost and Financing

2.29 Details of the costs and financing of the program are included in Table I below.

Table I. Project Costs
(In U.S. thousands of dollars)

PROGRAM	Total	IDB	GORTT
1. Program Management	3,038	3,038	0
2. Promotion	200	200	0
3. Knowledge Brokering	8,565	2,565	6,000
3.1. Project preparation	300	300	
3.2. Project implementation	8,265	2,265	6,000
4. e-Government Solutions	20,119	19,119	1,000
4.1. Project preparation	600	600	0
4.2. Project design	1,110	1,110	0
4.3. Project implementation	18,409	17,409	1,000
5. Evaluation	435	435	0
6. Auditing	150	150	0
7. PROPEF	970	970	0
8. Contingencies	1,523	1,523	0
TOTAL	35,000	28,000	7,000
Percent	100%	80%	20%

2.30 **Dimensioning.** In the case of the **Knowledge Brokering** component, it is estimated that it would require US\$8.6 million incorporating funding for specific projects and technical assistance for project preparation. This estimate is based on an expectation of about 1 international project for every 25 ministries and 10 secondment projects. Feedback from Permanent Secretaries found that there is a need for, and an interest in, the proposed program, and that larger ministries are expected to request more than one project. Expected implementation capacity also entered into the estimate of 35 projects. It is estimated that the average size of an international expert project would be US\$300,000, an amount which authorities estimate is the cost of obtaining a highly experienced expert in a sophisticated technical area for one year, while secondments are estimated to have an average cost of about US\$75,000.

2.31 In the case of the **e-government** component, it is estimated that it would require about US\$20.1 million, incorporating funding for implementing projects and

technical assistance for both project preparation and project design. A survey of expected demand combined with a focus group identified about 25 potential projects with an estimated cost of implementation of US\$18 million, approximately the amount of this component without technical assistance. Again, expected implementation capacity entered into the estimate of 25 projects for this component.

- 2.32 A **PROPEF individual operation (1626/OC-TT)** was recently put into effect, after significant delays. The PROPEF is financing three preparatory projects, including the legislative review, the community access program, and the establishment of an electronic market place system, which would facilitate the identification and qualification of contractors for the program. In addition, the PROPEF would be used to help ensure an efficient initiation of the program. Activities that would be financed include: (i) the preparation of e-government strategies and e-government proposals for three ministries; (ii) design of a promotion strategy; (iii) the contracting on a temporary basis of senior PEU personnel; and (iv) assistance to develop ICT technical standards for the public sector.

III. PROGRAM EXECUTION

A. The borrower and executing agency

- 3.1 The borrower will be the Government of the Republic of Trinidad and Tobago. The Ministry of Public Administration and Information (MPAI) will be the executing agency. The MPAI is responsible for: (i) promoting the strengthening of government capabilities and more efficient and effective public sector services; and (ii) facilitating and promoting the effective use of ICT by the public sector, citizens and the private sector. Given these responsibilities, it is the appropriate institution to serve as the executing agency for this program.
- 3.2 While the MPAI has had limited experience with knowledge brokering activities since it is a new and innovative mechanism, it has gained greater knowledge of public sector modernization through its implementation of the Public Sector Reform Initiation Program (PSRIP). The PSRIP is also supervised by the Program Management Division. In addition, its Public Sector Transformation Division is involved in public sector strengthening issues. With regard to E-Government, the ICT Division has a unit responsible for horizontal e-government initiatives. All three of these MPAI divisions will provide technical support for the implementation of the Program.

B. Project execution and administration

- 3.3 Draft Operating Regulations have been prepared and agreed to between the Bank and the Executing Agency. The Operating Regulations detail the operating mechanisms, the roles and responsibilities of the different actors of the program,

and financial and administrative requirements. **The entry into force of Operating Regulations, agreed to with the Bank, will be a condition prior to first disbursement.**

- 3.4 A **Project Executing Unit (PEU)** will be established within the Programme Management Division of MPAl to manage the program's implementation, under the supervision and strategic guidance of the Programme Manager of this division and the Permanent and Deputy Permanent Secretary of MPAl. The Project Executing Unit would be responsible for day-to-day management and administration of the program, and is the key entity to ensure its effective and efficient implementation. Key specific responsibilities would include: (i) the management of the promotional activities; (ii) the evaluation of project proposals; (iii) the provision of technical advice for project preparation to participating line ministries and state agencies; (iv) supervision of the identification and selection of project consultants, firms and providers of goods; (v) the monitoring of the implementation of projects in the participating line ministries and state agencies; (vi) managing and supervising the evaluations of projects; (vii) financial management; (viii) monitoring program performance and maintaining information on agreed performance indicators; and (ix) conducting communication with the IDB.
- 3.5 The PEU would be staffed with: (i) a Program Coordinator; (ii) senior advisors for e-government and knowledge-brokering; (iii) an implementation officer; (iv) a finance officer; (v) a legal officer; (vi) a procurement officer and (vii) technical and administrative support staff. **The establishment of the PEU and the hiring of key personnel (Program Coordinator, both senior advisors, and the implementation officer) would be a condition prior to first disbursement.**
- 3.6 **Participating Line Ministries.** The participating line ministries would be responsible for the preparation of project proposals, day-to-day supervision of projects, and the provision of status reports to the PEU, and the conduct of evaluations of Knowledge Brokering projects.
- 3.7 **Panel of Experts.** The PEU would organize a panel of experts to provide technical assistance to the PEU and line ministries to conduct more effectively their responsibilities. In particular it is expected that the Panel of Experts would, as needed, help prepare and review terms of reference, review technical reports of consultants and provide technical supervision of projects, particularly with regard to e-government projects at the design and implementation phase. To establish the Panel of Experts, the PEU would identify and pre-qualify a roster of individual experts in a range of specialties that are expected to be required for the program's execution.
- C. Procurement of goods and services**
- 3.8 In procuring goods and services financed by the Bank, the Executing Agency will follow the Bank's procurement policies and procedures. The Executing Agency

will use International Competitive Bidding for all goods valued at more than US\$25,000 and for consulting services in excess of US\$200,000. The scope of the Project and the anticipated pace of execution favor creating a revolving fund of up to 5% of the financing.

- 3.9 **Accounting and Internal Control.** For the management of the project's financial resources, the MPAI/PEU will open separate and specific commercial bank accounts for managing the Bank's loan and local counterpart funds. The MPAI/PEU will maintain adequate financial and accounting records of the project funds and internal control systems to allow for verification of transactions, identification of the sources and uses of project funds, provide documentation to verify transactions and to facilitate timely preparation of financial statements and reports.
- 3.10 The MPAI/PEU will be responsible for: (i) preparing and submitting disbursement requests to the Bank and the corresponding justification of expenses; (ii) preparing and submitting to the Bank the annual financial statements regarding project's expenses, and the semi-annual Revolving Fund Status Reports; and (iii) maintaining an adequate disbursements support documentation filing system.
- 3.11 **Financial Statements and Auditing.** The MPAI/PEU will prepare and submit to the Bank, within 120 days after the closing date of each fiscal year and within 120 days after the date of the last disbursement of the financing, the financial statements of the project, audited by a firm of independent auditors acceptable to the Bank, based on the terms of reference previously approved by the Bank (Document AF-400). The private audit firm will be selected and contracted in accordance with the Bank's bidding procedures for audit firms (Document AF-200), and will be paid with the Bank's financing.

D. Execution period and disbursement schedule

- 3.12 Considering the scope of activities that the Program will support, and the actual execution periods of Bank programs in Trinidad and Tobago, the expected disbursement period of the Program is 66 months from the date of entry into force of the Loan Contract.

E. Monitoring and evaluation

- 3.13 The overall **monitoring** of the program would be conducted by the PEU, complemented by the oversight of the Program Management Division and the Permanent and Deputy Permanent Secretary of MPAI, with the technical support, when needed, of the Private Sector Transformation and the ICT divisions of MPAI. This monitoring would be done through two primary vehicles, including the review of periodic reports from the participating public institutions on the conduct and performance of projects under their supervision, and periodic meetings with these institutions, and the design and implementing consultants or

international experts. With this information the PEU would monitor the performance of the overall program and compare the performance of individual projects in relation to expected outputs as defined in the project approval and design process. The PEU on a quarterly basis would prepare for MPAI management and the IDB a report on the performance and execution of the program, detailing the major events of the program in all of its phases and components, the actions of the PEU, identifying any factors that are impeding progress, and to make recommendations on how to address them. On a periodic basis, no less than quarterly, the PEU would meet with the Programme Manager of the Program Management Division, the Permanent and Deputy Permanent Secretary of MPAI and the IDB to brief them on the execution and performance of the program and, when necessary, discuss what measures can be taken to improve performance. Similarly, the PEU would meet with Bank officials in the Country Office, as needed by either party.

- 3.14 The Bank would monitor the execution of the program through both the review of periodic progress reports and meetings with the PEU, and when necessary with the participating public institution as well. The monitoring of the program will be facilitated by Annual Operating Plans to be prepared by the PEU for the Executing Agency and submitted to the IDB for approval. The Plan will describe the specific activities to be executed, their expected costs, expected outputs, a timeframe for implementation, beneficiaries, the entity or individual responsible for the execution of the activity and an annual budget. Activities will largely be determined by demand for the program, as reflected by the number of public institutions that decide to participate in the program. Nevertheless the PEU should be able to conduct a rough estimate of the contents of an Annual Operating Plan. **The presentation of the initial Annual Operating Plan, as agreed with the Bank and approved by the Executing Agency would be a condition prior to first disbursement.**
- 3.15 Comprehensive annual reviews of the program would also be conducted including the PEU, responsible MPAI officials, and the IDB. These would review the performance of the program, including promotion activities, operating mechanisms, institutional structure, and the monitoring and evaluation framework. The review would also identify areas for improvement and define corrective measures and assign responsibilities. Particular attention would be paid to measures required to generate effective demand for the program, and to review the effectiveness of the selection criteria and mechanism. Monitoring would be further enhanced through the review of annual audits of the Program.
- 3.16 **Evaluation.** Each individual project would be evaluated to assess both outputs and outcomes as defined in the project preparation and design phases. For e-government projects the evaluation would be conducted by independent evaluators, or in the case of simpler projects, by the PEU and the respective line ministry. The evaluations for e-government project would include a quantitative impact assessment by conducting a cost-benefit analysis with the benefits to be determined by the cost and time savings resulting from the project. The base-line

data would be determined during the design phase of the projects. In addition, the evaluation would include an assessment of the participating institutions capability to manage, operate and maintain the e-government solution and a limited survey of client satisfaction with the provided service and their evaluation of how much it has improved. Baseline data on client satisfaction would be defined during the project definition phase.

- 3.17 In the case of knowledge brokering projects, due to the nature of the intervention it would not be possible to assess the impact of the projects on public service delivery, nor can it be measured with quantitative indicators with predefined baseline indicators. Rather, the evaluation would be a case-study analysis of the knowledge transfer process in relation to the project objectives and an assessment of the readiness of the participating staff and work unit and their performance as a result of the intervention. This assessment would be conducted through a survey of senior staff of the participating institution and the respective permanent secretary. Given the smaller size of these projects and the more limited scope of the evaluations, they would be conducted by the respective line ministry, supported by the PEU.
- 3.18 It should be noted that as a demand-driven program, where the specific projects and activities are defined during the execution of the program, it is difficult to specify outcome indicators of the overall program. Rather most program indicators need to be linked to the implementation and expected outcomes of the individual projects, and measurement based on the evaluation of these individual projects. This is especially the case for knowledge brokering. In the case of e-government, the totality of the projects supported by the program should have some effect on the overall advancement of e-government implementation, which can be measured with World Economic Forum indicators, the increased number of e-government projects as a percentage of total ICT projects, and an increased number of more sophisticated internet-based e-government solutions.
- 3.19 A **mid-term and final evaluation** of the program would also be conducted by independent evaluators. The mid-term evaluation, to be conducted once 50% of the program funds are disbursed or 2 ½ years after the initiation of the program, whichever comes first. It would evaluate: the administration and execution of the program to date, examining how program processes have been conducted; the effectiveness of the operating mechanisms, promotion activities, institutional structure and monitoring and evaluation procedures; the results of the program to date and where evaluations of completed projects have been done, providing an assessment of the results and outcomes of the projects. The evaluation would report on the execution and performance of the program and make recommendations on modifications that could improve the effectiveness and efficiency of the Program. The evaluation would also identify lessons learned regarding the promotion, design and implementation of effective e-government projects in the Trinidad and Tobago context as well as the effectiveness of the knowledge-brokering approach for knowledge-transfer.

- 3.20 The final evaluation would also assess the administration and execution of the program, the effectiveness of the different stages and components of the program and would also include an assessment of the impact of the program by reviewing the evaluations of the individual projects. The evaluation would also assess what were the key criteria for successful and unsuccessful projects, and identify lessons learned for future e-government and knowledge transfer programs. Finally, the evaluation would also identify lessons learned about the use of the program instruments for promoting public sector modernization at the ministerial level, and what general lessons regarding public sector modernization at the ministerial level can be drawn from the experience of the Program. This information would be useful for the design and implementation of the planned comprehensive public sector reform.

IV. VIABILITY AND RISKS

A. Institutional viability

1. Capacities of MPAI

- 4.1 An institutional assessment of MPAI was conducted, and identified some institutional weaknesses that could affect the Program's execution. In particular this assessment noted: (i) a lack of dedicated project management expertise; (ii) difficulty to attract and maintain qualified staff; and (iii) weak project monitoring and evaluation capabilities. The program has been designed to address these shortcomings. In particular, the PEU will include a highly experienced project manager to lead the unit, and will have the capabilities to conduct effective technical and administrative monitoring of the specific projects financed by the program. In addition, sufficient resources have been allocated to attract and maintain qualified staff in the PEU and to conduct evaluations of the specific projects and the overall program.
- 4.2 Another factor that could affect the institutional capabilities of MPAI is that the resources for the supervision of the program could be stretched, as the Program Management Manager of the Program Management Division, who has the responsibility for the direct supervision of the program, is also responsible for the supervision of the PSRIP. To address this constraint, the PEU has been designed to have the needed technical and administrative capabilities, combined with a clear and detailed assignment of responsibilities, which should allow it to operate without the need of day-to-day supervision. Supervision of the PEU and the monitoring of program results would be conducted on a periodic basis, which would be facilitated by detailed reporting on program performance. Moreover, the permanent and deputy permanent secretaries would complement the role of the Programme Manager by providing an additional element of strategic supervision and monitoring of the program.

- 4.3 The institutional assessment also found that MPAI had strong capabilities in financial management and systems, and procurement capabilities. Given the experience of MPAI with the PSRIP, it has gained a particular knowledge of IDB procurement procedures. These strengths should facilitate the fulfillment of their financial supervision and reporting requirements, as well as their contracting of consultants and firms.

2. Capacities of Line Ministries

- 4.4 The Bank's and, specifically, COF/CTT's ongoing review of the capacity of line Ministries for project and program execution point to a lack of capacity for project development and management. The program will address these constraints by providing technical assistance, as needed for project preparation, as well as resources for project management expertise. Moreover training will be provided to the participating ministries as part of project implementation to bolster their capabilities for the operation and maintenance of the e-government solutions.

B. Socioeconomic viability

- 4.5 Based on experiences in other countries, e-government initiatives have been found to have significant positive economic impacts. A recent impact evaluation of 13 e-government solutions in Chile using a rigorous cost-benefit analysis found that the benefits of projects significantly exceeded their costs in all but 2 cases, in some cases net benefits exceeded costs by several multiples.⁹ A more basic cost-benefit impact analysis will be conducted for e-government projects. While one cannot predict what these impacts will be, one should expect a significant positive result.
- 4.6 A similar type of analysis cannot be done for knowledge brokering projects, as their outcomes, like most technical assistance projects, are not measurable in quantitative terms. However, if, as expected, staff performance is improved and technical skills are transferred, one should expect a significant positive impact in the effectiveness of the areas of public institutions participating in these projects. This should translate into improved public service delivery.

C. Environmental Impact

- 4.7 The environmental impact of the Program should be negligible, as the Program will affect only the operational processes of public sector institutions. The Committee on Environmental and Social Impact (CESI) in its meeting of March 17, 2006 (11-06) found that the Program did not require any additional assessments in these areas.

⁹ Willington, M. et.al. "Evaluación del Impacto de Gobierno Electrónico en Chile" Universidad Alberto Hurtado.

D. Benefit and Beneficiaries

- 4.8 The overarching benefit of the program will be improved public services, via strengthened institutional and human resource capacities in the public sector in the case of knowledge-brokering, and via greater and more effective use of ICT in the case of e-government. For knowledge-brokering the improvement in public services would be more indirect and would be realized in the medium-term, while for e-government the improvements result directly from the implementation of specific projects, and as such the benefits would be realized more immediately.
- 4.9 The specific benefits of the knowledge-brokering component include: (i) better preparedness of staff; (ii) enhanced technical and operational capacities of participating public institutions; and (iii) an improved institutional knowledge base for policy-making, planning and operations. In the case of e-government, the specific benefits would be: (i) greater external and internal efficiency in the provision of public services; (ii) improved access to these services; and (iii) increased transparency of government operations. In addition, the component would enhance the capabilities of public institutions to develop and implement effective e-government solutions.
- 4.10 **Beneficiaries/SEQ Classification.** Beneficiaries of the program will be the clients of participating institutions who would receive improved services. Although a demand-based program, it is expected, based on an e-government survey and focus groups conducted during the preparation of the program to assess potential demand, that social service agencies should be significant participants in the program. With the broad coverage of social services, social sector projects should have a much higher number of beneficiaries than most other projects. This tendency is confirmed by the results of the e-government survey, in which the predominant number of expected beneficiaries came from planned social sector projects. As a result the majority of the beneficiaries of the program should be users of social services. Moreover, as Vision 2020 puts an emphasis on human resource development as the means to reach developed country status and has as a priority goal the elimination of pockets of poverty, it is expected that during the execution of the program social services will be significantly expanded, and that the government will take measures to improve the targeting of social services and benefits to lower-income households. Given the expected predominance of social service users as program beneficiaries combined with more and better targeting, the program should have a significant impact on equity enhancement.

E. Risks

- 4.11 **Effective Demand.** Even though the e-government survey and basic focus groups indicate that there is strong interest and the need for a mechanism to provide assistance in both areas of the program, one cannot be sure that this potential demand will be translated into actual participation in the program. To better ensure that there is effective demand, the program includes significant resources

to provide technical assistance for the background analysis and preparation of project proposals, which should encourage and facilitate participation. In addition, the program will include a comprehensive promotion campaign, as described in paragraph 2.2, to generate interest and facilitate participation in the Program. Finally, during the annual reviews of the program, attention would be devoted to evaluating the effective demand for the program and assessing whether participation levels are adequate. As needed, corrective measures would be taken. Moreover there should be a demonstration effect from the initial projects, which should encourage other institutions to participate.

- 4.12 **Need for consultant services.** The Program requires an intensive use of specialized consulting services across a broad range of topics. Many of these services will have to be contracted from abroad, as there are limited local specialized services. This would require an intensive search and identification of qualified consultants. Moreover, the number of required consultancies could stretch contracting capacities. In order to mitigate the risks of being unable to identify and contract on a timely basis suitably qualified individuals and firms, a series of measures will be implemented.
- 4.13 First, an active promotional campaign to facilitate and encourage participation by qualified consultants would be undertaken. Second, the program website would include information on prospective projects and consulting opportunities. Third, the identification and qualification of consultants and firms would be facilitated by the use of the aforementioned electronic market place system that the government is developing. Fourth, the sources to identify consultants would be further broadened by accessing a series of websites for development experts and placing notices in a range of publications, including specialized professional journals. Fifth, measures would be taken to reduce the number of needed individual consultant by using the same consultant for different aspects of the program. Finally, the simplified procurement procedures and increasing procurement capacities of MPAI should reduce the time required to contract consultants.
- 4.14 **Capacity of the PEU.** To a large degree the success of the program depends on the effectiveness of the PEU, as the PEU is responsible for the execution of all of the program elements. Attention has been paid in the design of the program to ensure that the PEU will have the necessary technical and administrative resources to assume its responsibilities. Moreover, the organizational structure of the program gives significant autonomy to the PEU to allow it to exercise its responsibilities without excessive bureaucratic interference. It could be difficult to ensure that qualified persons will be maintained in the key positions. To mitigate this risk, as noted previously, sufficient resources have been included in the budget to provide a remuneration that is attractive to highly qualified professionals. Also, specialized divisions in the MPAI that work on the areas of the project, including the ICT Division and the Public Sector Transformation Division, will provide technical support to the PEU, which should reduce

somewhat the technical resources required. Similarly, other units in the Program Management Division will provide administrative support.

- 4.15 **Sustainability of the benefits of program interventions.** The program's design seeks to mitigate the risk that participating agencies would not be willing or be able to sustain the benefits of program interventions. First, the demand-based structure assures that there is a strong commitment to the projects by participating institutions. Second, the program should facilitate the retention of more qualified and motivated staff through the provision of training, participation in knowledge brokering activities, and giving opportunities to work on more innovative and technically advanced assignments. Finally, the definition of a change management plan is an eligibility criterion for project selection under the e-government component.
- 4.16 **Willingness of the private sector and citizens to use electronically provided government services.** The effectiveness of the e-government solutions that the program will help develop and implement depends ultimately on the use of the electronically provided services by the private sector and citizens. The program includes a series of measures, detailed in paragraph 2.26, to help ensure that its e-government solutions are used by the target clients.
- 4.17 **Silo Projects.** The effectiveness and efficiency of e-government initiatives can be restrained by supporting the implementation of silo projects, where individual government agencies develop and implement an e-government project alone without taking into account its coordination and complementarity with the projects and systems of other government agencies. The program includes a series of measures to minimize the risk of supporting silo projects. These include; (i) the application the complementarity criteria for project selection; (ii) enhanced inter-government coordination on e-government projects; (iii) the development and approval of technical standards for ICT applications; and (iv) the development and implementation of a more comprehensive and operational overall e-government strategy for beyond 2008.

E-GOVERNMENT AND KNOWLEDGE BROKERING PROGRAM (TT-0056)

OBJECTIVES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL. Improve the quality of governance, particularly with regard to government effectiveness.	(3-5 years after the project is implemented) Increase by 30 points the scoring of the World Bank Institute governance indicators for government effectiveness. (Baseline; 0.47, 2004)	World Bank Institute Governance Indicators database.	There is political support for the implementation of structural reforms in the public sector and for policies and programs that encourage and facilitate the use of innovative and effective tools as well as organizational and procedural changes to enhance public services. Beneficiary agencies leverage on the benefits of program interventions and continue to provide resources to ensure sustainability.
PURPOSE Increase the efficiency of public services, through: (i) Enhanced institutional and human resources capacity of beneficiary agencies via knowledge-transfer (ii) Expanded implementation of effective e-government solutions.	(1 Year after project is implemented) Increase by 5 percentage points the percentage of citizens that consider government services efficient. (Baseline 16%, 2005) (By end of project) <ul style="list-style-type: none"> Improved knowledge and performance of staff that participate in Knowledge Brokering projects. (Baseline to be defined in individual project evaluations) Improved performance of work units participating in projects. (Baseline to be defined in individual project evaluations.) Reduction in the time and cost to provide and use public services in participating public institutions (Baseline to be defined during individual project design.) Increase by 10% the percentage of clients satisfied with the public services addressed by the program (Baseline to defined during individual project design.) Increased usage of available electronic services. (Baseline to determined on a project-by-project basis.) Increase in number of interactive (by 4) and transactional services (by 3) delivered on line. (Baseline 5 interactive and 0 transactional) Increase to 20% the number of e-government projects as a percentage of total ICT projects. (Baseline 11%, 2006 budget) 	Annual survey of citizens regarding public services. Survey of senior staff and Permanent Secretaries in participating agencies. Evaluations of individual projects Evaluations of individual projects. Log records of information systems. Surveys conducted by the ICT division of the Ministry of Public Administration and Information. Public Sector Reform Computerization Program data, subset of Public Sector Investment Program.	Public institutions are committed and willing to change behavior, adopt new practices and utilize new operating modalities in order to improve public services. Willingness of target clients, including both the private sector and citizens, to use electronically provided services designed to meet their needs and capabilities.

	(One year after project implementation) <ul style="list-style-type: none"> Increase by 26 points and 32 points, respectively, the scoring of the World Economic Forum indicator for e-government readiness and government usage of ICT. (Baseline: 0.17 and 0.68, 2005) 	World Economic Forum Global Information Technology Report	Beneficiary agencies utilize project formulation strategies that employ consultation and collaboration with major stakeholders resulting in a minimal number of silo projects.
OUTPUTS /COMPONENTS			
Knowledge Brokering. Implementation of knowledge brokering projects.	Approval of Technical Standards Implementation initiated for 4 projects. Year 1. Implementation initiated for 6 projects. Year 2. Implementation initiated for 6 projects. Year 3. Implementation initiated for 6 projects. Year 4 Implementation initiated for 3 projects. Year 5.	Copy of Approved Technical Standards Program documents Program management information and monitoring system.	Sufficient effective demand from line ministries and state agencies. Availability of qualified personnel for the PEU.
e-Government. Design and implementation of e-Government solutions.	3 projects designed and implementation initiated. Year 1. 6 projects designed and implementation initiated. Year 2. 8 projects designed and implementation initiated. Year 3. 6 projects designed and implementation initiated. Year 4. 2 projects designed and implementation initiated. Year 5.	Program documents Program management information and monitoring system.	Sufficient effective demand from line ministries and state agencies. Availability of qualified personnel for the PEU.
ACTIVITIES			
Promotion <ul style="list-style-type: none"> Development of a promotion strategy Conduct of Promotion Activities 	(US\$ 200K, IDB US\$200K, GORTT 0) <ul style="list-style-type: none"> Promotion strategy 8 workshops targeted to different audiences and preparation and distribution of promotional material (by month 2 and year 2.) Project initiation workshop Program Website Program Newsletter Media Campaign 	<ul style="list-style-type: none"> Program documents. Program Website access Copies of Program Newsletter Press Releases, Press Articles and TV or radio discussions. 	Timely preparation of development strategy. Interest in e-government by those invited to workshops. Interest by the media in e-government.
e-Government <ul style="list-style-type: none"> Preparation of proposals, including technical assistance for development and preparation of proposals. Evaluation and selection of projects. Preparation of TORs of Design Consultancies Contracting, financing and execution of design consultancy Contracting, financing and execution of project implementation. Supervision of consultancy and provision 	(US\$ 20.1 M, IDB US\$ 19.1 M, GORTT US\$ 1M) <ul style="list-style-type: none"> Presentation of proposals Evaluation by Project Executing Unit (PEU) and selection by Selection Committees. Terms of Reference for activities, and signed contracts and agreements (Ongoing basis during life of project) Amount of financing provided and activities supported (type, cost and timing) Amount of financing provided and activities supported. On-going supervision by line ministry, regular 	<ul style="list-style-type: none"> Project Applications. Evaluation reports and minutes of Selection Committee meetings. Program documents Program management information system. Program management information system. Supervision reports 	<ul style="list-style-type: none"> Timely presentation of applications. Timely contracting of consultants and other goods and services for execution of projects. Timely provision of counterpart financing

<ul style="list-style-type: none"> of goods. Evaluation of projects Evaluation of component 	<ul style="list-style-type: none"> site visits by PEU. Evaluations done for each project. Mid-term and final evaluation. 	<ul style="list-style-type: none"> Individual project evaluations. Mid-term and final evaluation reports. 	
<p>Knowledge Brokering</p> <ul style="list-style-type: none"> Preparation of proposals, including technical assistance for preparation of proposals. Evaluation and selection of projects. Preparation of TORs, contracting of experts or arrangement of secondments. Financing and execution of projects. Supervision of consultancy Evaluation of project Evaluation of component 	<p>(US\$8.6 Million, IDB US\$2.6M, GORTT US\$ 6.0M)</p> <ul style="list-style-type: none"> Presentation of Proposals Evaluation by PEU and selection by Selection Committee. (On-going basis during life of project). Terms of Reference for activities, and signed contracts and agreements (Ongoing basis during life of project) Amount of financing provided and activities supported (type, cost and timing.) Ongoing supervision of implementation by line Ministry or state agency and monitoring by PEU. Evaluations done for each project. Mid-term and final evaluation 	<ul style="list-style-type: none"> Project Applications Evaluation reports and minutes of Selection Committee meetings. Contracts and Agreement with international institutions. Program management information system. Quarterly progress reports Individual evaluation reports Mid-term and final evaluation reports. 	<ul style="list-style-type: none"> Timely presentation of projects. Timely contracting of consultants and other goods and services for execution of projects. Timely provision of counterpart financing

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/06

Trinidad and Tobago. Loan ____/OC-TT to the Republic of Trinidad and Tobago
E-Government and Knowledge Brokering Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Trinidad and Tobago, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a e-government and knowledge brokering program. Such financing will be for an amount of up to US\$28,000,000 from the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

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TT-0056