

REQUEST FOR EXPRESSIONS OF INTEREST
CONSULTING SERVICES

Selection # as assigned by e-Tool: RG-T3070-P001

Selection Method: Full Competitive Selection

Country: Regional

Sector: IFD/ICS

Funding – TC #: RG-T2975; RG-T3070

Project #: ATN/FG-16356-RG; [ATN/OC-16521-RG / ATN/OC-16522-RG](#)

TCs names:

- RG-T2975: Support for the design of action plans for the implementation of digital identity systems in Latin America and the Caribbean
- RG-T3070: Simplifying lives through digital identity

Description of Services: Design a maturity model for identity systems as well as an analytical framework to calculate the economic benefits of the improvement of identity systems in a country. Both will be applied in three countries of Latin America and the Caribbean to propose an action plan to increase the maturity of their current identity system and calculate the economic benefits of its implementation

The Inter-American Development Bank (IDB) is executing the above mentioned operations. For these operations, the IDB intends to contract consulting services described in this Request for Expressions of Interest.

Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (<http://beo-procurement.iadb.org/home>) by: **January 12, 2018 at 5:00 P.M.** (Washington D.C. Time).

The consulting services (“the Services”) include the to design a maturity model for identity systems as well as an analytical framework to calculate the economic benefits of the improvement of identity systems in a country. Both will be applied in three countries of Latin America and the Caribbean to propose an action plan to increase the maturity of their current identity system and calculate the economic benefits of its implementation. The final products of the consultancy should be delivered, at the latest, in the fourth quarter of 2018.

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: *Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work* - GN-2765-1. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described below in the draft summary of the intended Terms of Reference for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms as the representative.

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to: todoscuentan@iadb.org

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Summary of Terms of Reference

Understanding the Maturity and Economic Value of Identity Systems

Background

An effective and efficient identity system has a positive impact in inclusive economic development. An identity system can support several dimensions of inclusive development, including, among others:

1. **Access to health and education.** Through a better understanding of the distribution of population across a country, health and education programs can be managed more effectively, guaranteeing, for example, availability of services ranging from vaccinations to epidemics control to classrooms and desks to textbooks in schools for every child.
2. **Access to social programs.** A universal identification system should improve targeting of vulnerable groups for more effective and efficient social programs.
3. **Income and property.** In many countries, registration of property and formal employment require proof of identity. Lack of universal identity programs reinforce a poverty cycle by hindering usually the most vulnerable groups of these benefits.
4. **Better government services.** Benefits for government administrations are twofold: on one hand, identity systems enable more effective processes and delivery of public services; on the other hand, better identification systems have allowed public administrations in many countries carry out a better control of personnel, absenteeism, and more control against corruption and fraud.
5. **Gender parity.** Guaranteeing identity to all, in particular women, ensures their rights inside and outside their homes.
6. **Financial inclusion.** Identity systems that allow for a secure and trustworthy authentication enable higher financial services penetration, especially among the rural and poor segments of the population.

Additionally, an effective and efficient identity system contributes to a more inclusive digital economy. By enabling a digital identity, that is, by securely authenticating a person's identity when accessing a digital network, identity systems unlock the full benefits of the digital economy, including, inter alia, e-commerce (both as sellers and buyers), online transactional public services (offloading costly physical interactions with governments), and online participation in public debates, forums, and eventually voting.

To unleash the full benefits of an identity system, vertical and horizontal integration of processes and services are required. The quality of an identity system is closely linked to the quality of the civil registry and vital statistics (CRVS) in a country, as a reliable authentication of identity for most public services requires this integration. On the other hand, to get the most out of a secure and reliable identity system, integration with all other public service providers is a must – otherwise citizens could end up having a high-tech identity system that does not ease in any way the delivery of public services.

Indeed, in Latin America and the Caribbean (LAC), not many countries have a mature identity system and/or are not using it at their full potential. The situation across the region is diverse: from countries that have no identity systems to countries that have paper-based documents to countries that have polycarbonate on-card chip technologies. However, no country is using their identity system at its full potential, integrating services and enabling a seamless experience to citizens.

For many countries, the path towards a more mature identity system is not clear. Regardless the status of their

identity system, it is hard for governments to chart a way forward as there is a lack of understanding of the different dimensions, functionalities, and potential uses that good and reliable identity systems should provide. There is not a systematic approach for identity systems that can provide governments with a framework for improvement.

Moreover, the economic benefits of embarking in such journey are uncertain. There is not a clear methodology for the estimation of economic benefits created by the improvement of the identity system in a country. In fact, countries that already have a national identity system find it harder to support the investment required for the evolution of their systems towards a government-wide integrated digital identity scheme.

To improve and inform the dialogue on identity management, a better understanding of the various levels of maturity, as well as the economic impact of identity systems is needed. A more structured understanding of the stages of evolution of identity systems across different dimensions (for example, legal, technological, and citizen experience) would help countries understand their current situation and allow them to define a clearer road map. Along with this, an estimation of the economic impact of each progression would also help authorities make decisions regarding whether to invest in improvements in their identity systems or not.

The Inter-American Development Bank is interested in helping member countries prepare informed action plans to advance their identity systems. The Spanish General Cooperation Fund has provided funding to the Innovation in Citizen Services division for a consultancy aimed at helping interested countries design action plans to improve the quality of their identity systems. Additionally, the Strategic Program for the Development of Institutions and the Broadband Initiative have provided resources to assess the economic benefits that stem from the implementation of identity systems

Objective

The objective of the consultancy is to design a maturity model for identity systems as well as an analytical framework to calculate the economic benefits of the improvement of identity systems in a country. Both will be applied in three countries of Latin America and the Caribbean to propose an action plan to increase the maturity of their current identity system and calculate the economic benefits of its implementation.

Activities

The consultancy firm will carry out the following activities:

1. Design of the Identity System Maturity Model (ISMM). The consultant will propose a maturity model that should define development stages in identity systems, from a non-existing identity system to a universal identity system with digital identity capabilities. To do this, the consulting firm is expected to identify different dimensions that will make up the model (including, for example, technology, institutions and governance, legal framework, horizontal and vertical integration with other public and private services, and citizen's experience). Thus, each maturity level should be related to different development stages for each dimension. The consulting firm is expected to provide a detailed description of all dimensions under the different maturity levels.

Additionally, as part of this activity, the consulting firm will elaborate an assessment tool, which will help countries identify the level of development they are currently in and define an action plan for each dimension to advance to the next stage(s) of the model.

To provide a reference point to other countries and to check for consistency in the analysis, the following countries should be assessed based on the tool developed: Estonia, Korea, and Spain.

2. Analytical framework for the calculation of economic benefits of each stage of the ISMM. Once the different development stages are defined, the consulting firm will propose an analytical framework to calculate the economic benefits that each stage creates.

The proposed analytical framework should include the potential contribution of identity systems to citizens and to the public and private sectors, including but not limited to: time saving (opportunity costs); replacement of

current identity verification processes; reduction of fraud incidences; reduction in leakages in health, education, and social programs (pensions, conditional transfers); increased tax revenues; and fiscal savings.

Finally, a tool to calculate the actual benefits should also be included.

3. Application to three countries. The consulting firm is expected to apply the maturity assessment tool in [Country 1], [Country 2], and [Country 3]. For each of these, the assessment tool should be used to map the current maturity level of their identification system and to recommend improvements and next steps required to advance to the next level(s). Additionally, the economic benefits that would be created by advancing to the next level(s) will also be calculated using the methodology and tool proposed above.

The consulting firm is expected to submit one report for each country.

4. Submission of the final report. A final report including all the activities will be prepared and delivered to the Bank. This final report will be presented to the IDB team HQ.

Expected deliverables

All deliverables can be presented in English or Spanish, except for the final report which will be presented in both languages. The following deliverables are expected as part of the consultancy:

1. **Identity System Maturity Model (ISMM)**

This report will include, among other things:

- a. Identification of the different dimensions that make up the maturity model
- b. Definition of the maturity levels and the corresponding description for each of the dimensions identified above
- c. An assessment tool with a user manual to be used by policy makers to map their current identity system

2. **Economic Benefits of Identity Systems**

This report will include:

- a. Analytical framework for the calculation of economic benefits of identity systems
- b. Methodology for the estimation of the economic benefits
- c. Tool for benefits calculation

3. **Country Action Plans and Economic Benefits**

For each country, the consultant will prepare a report that will include at least the following information:

- a. Assessment of the country's identity system (maturity level and description of the status on each of the dimensions of the maturity model)
- b. Roadmap for improving the maturity of the identity system, including a description of the actions required on each dimension to meet (i) the next maturity level and (ii) the highest maturity level.
- c. Estimation of the economic benefits created by improving the maturity level to (i) the next maturity level and (ii) the highest maturity level.

4. **Final Report**

The final report will consist of an Executive Summary of the work carried out under this consultancy. In no more than 10 pages, the consulting firm will describe the Identity System Maturity Model and the rationale behind the calculation of economic benefits of the different levels of identity systems.