

## TC ABSTRACT

### I. Basic Project Data

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|--|---|
| ▪ Country/Region:  | REGIONAL/CCB - Caribbean Group  |
| ▪ TC Name:   | Streamlining the Issuance of Construction Permits in Antigua and Barbuda  |
| ▪ TC Number:   | RG-T3267  |
| ▪ Team Leader/Members:   | HENNESSEY, MICHAEL P. (IFD/CTI) Team Leader;<br>STEVENSON, CLAUDIA (IFD/CTI) Alternate Team Leader;<br>GRANT, KAYLA SHAREE (IFD/CTI); PILGRIM, VALARIE (IFD/CTI); GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI); PEREIRA, STEFANO (IFD/CTI) |
| ▪ Taxonomy:  | Client Support  |
| ▪ Number and name of operation supported by the TC:                | N/A   |
| ▪ Date of TC Abstract:   | 16 Apr 2018   |
| ▪ Beneficiary:   | Development Control Authority   |
| ▪ Executing Agency:  | INTER-AMERICAN DEVELOPMENT BANK   |
| ▪ IDB funding requested:   | \$ 180,000.00   |
| ▪ Local counterpart funding:                                       | \$ 73,150.00  |
| ▪ Disbursement period:   | 36 months   |
| ▪ Types of consultants:  | Individuals; Firms  |
| ▪ Prepared by Unit:  | Competitiveness & Innovation  |
| ▪ Unit of Disbursement Responsibility:                             | Institutions for Development  |
| ▪ TC included in Country Strategy (y/n):                           | No  |
| ▪ TC included in CPD (y/n):  | No  |
| ▪ Alignment to the Update to the Institutional Strategy 2010-2020: | Productivity and innovation   |

### II. Objective and Justification

- 2.1 Implement a digitized system which will facilitate a reduction in the number of procedures, time and cost involved in obtaining construction permits in Antigua and Barbuda.
- 2.2 Antigua and Barbuda is a small, highly vulnerable open economy but is also one of the largest economies and most prosperous countries of the member countries of the Organisation of Eastern Caribbean States (OECS). The economy mostly relies on remittances, tourism, financial and educational services and foreign direct investment flows. After contracting in 2013, the economy grew by more than 4% per year during the period 2014-2016. In 2017, growth slowed down to 2.7% , in part due to the impact of natural disasters in the form of Hurricane Irma and Maria, both occurring in the same year. 3.4 Antigua and Barbuda is ranked 107th out of 190 countries for the aggregate ranking in the World Bank's Ease of Doing Business index for 2018. Over the last 5 years Antigua and Barbuda's ranking in the World Bank's Ease of Doing Business Index has declined from position 71 in 2014 to position 107 in 2018. Construction activity, as a result of foreign investment flows, including through the country's Citizenship by Investment Programme, is part of the backbone of the economy. For Dealing with Construction Permits, Antigua and Barbuda is ranked 99, doing better than the Regional Average (Latin America & Caribbean) but worse than all the OECS except Grenada. Antigua and Barbuda, a country competing globally for foreign investors, obtaining a construction permit is estimated to require 19 procedures and 135 days compared to best practices of 7 procedures and 27.5 days respectively. Countries, considered to be engaging in best practices, have reengineered their

business processes and employed electronic permitting systems, that link all permitting agencies, to reduce the number of procedures and time required to obtain a construction permit. Depending on depending on the nature of the project, obtaining a construction permit, might involve up to 6 different government agencies - Central Board of Health, Environment Department, Fisheries Department, and the Antigua Port Authority – and may take more than 130 days to be completed.3.5 This technical cooperation will support the institutional strengthening of the Development Control Authority (DCA) of Antigua and Barbuda and other agencies with a role in issuing construction permits. More specifically, TC will support the introduction of an Electronic Permitting System and One-Stop Shop for the submission and processing of all the construction permit applications, connecting all the different agencies involved in the process. Some of the benefits of this initiative include: (i) reduction in the time it takes to review applications and issue construction permits; (ii) increase in compliance with the Building Code and Building Guidelines; and (iii) a reduction in the use of paper by 90% compared to the current process. Additionally, it is expected that streamlining the application process will assist in the mobilization of post-hurricane reconstruction efforts.

### **III. Description of Activities and Outputs**

- 3.1 Component 1: Business Re-engineering and System Design, Testing and Installation. This component will finance engaging the services of a consulting firm specializing in electronic permitting system to implement the following: (i) mapping and assessing the efficiency of current business processes across all agencies having responsibility for Dealing with Construction Permits; (ii) liaising with key stakeholders to sensitize them on electronic permitting systems and to understand their needs and expectations; (iii) developing options for reengineering and digitizing the business processes, including specifications and other details of hardware and software requirements for each option; (iv) reviewing the legislative and regulatory framework and advising on any amendments required to support the establishment of the Electronic Permitting System and One-Stop Shop (v) developing a detailed work plan and budget for designing, installing, rolling out (including system testing, user and systems maintenance training), and the initial maintenance (for 1 year) of the Electronic Permitting System and One-Stop Shop; (vi) system design/customization of the electronic permitting software, testing, and installation; and (vii) training staff of the approval agencies, end-users, information technology professionals who will be responsible for maintaining the system. The Government of Antigua and Barbuda will acquire the hardware relevant to establishing the Electronic Permitting System and One-Stop Shop . The consulting firm may, however, acquire any hardware deemed necessary to achieve the objectives of this TC component subject to the value of the hardware being less than ten percent (10%) of the consulting services contract value under this component. This component also includes a provision to finance the any required revisions to the legislative or regulatory framework.
- Component 2: Project Communications: This component will finance the hiring of consultant to design and implement a communications strategy that will manage all the different communications needs of the project. The consultant will be responsible for (i) communicating information aimed at educating potential users on electronic permitting systems and providing clarifications and feedback to address stakeholder concerns; (ii) keeping stakeholders informed of the progress of the project; (iii) managing the launch of the Electronic Permitting System and One-Stop Shop; (iv) packaging user training materials and other relevant content to update the DCA website; and (v) communicating early results and providing timely explanations for any early/teething problems. The component will also finance communication expenses associated with the executing the communications strategy.
- Component 3: Coordination and Monitoring and Evaluation: DAC will allocate a Project Manager and an IT Officer who will be the main counterparts to the firm

engaged under Component 1. This component will also engage a monitoring and evaluation consultant who will compile and analyze pre- and post-project data, disaggregated by gender and other relevant characteristics, on the business processes. The data compiled will include the time and cost associated with obtaining a construction permit (overall and at each stage of the process), user experiences, and client satisfaction levels. The consultant will also prepare progress reports and a project completion report.

- 3.2 **Component I: Component 1: Business Re-engineering and System Design, Testing and Installation.** . Fees and Expenses to design and implement the Electronic Permitting System; hardware acquisition; workshop and training collateral; drafting of revised regulations/ legislation to support new system
- 3.3 **Component II: Component 2: Project Communications.** Fees and expenses for design and implementation of a communications strategy including a launch event
- 3.4 **Component III: Coordination and Monitoring and Evaluation.** Fee and expenses for Monitoring and Evaluation

#### IV. Budget

##### Indicative Budget

| Activity/Component  | IDB/Fund Funding | Counterpart Funding | Total Funding |
|---|------------------|---------------------|---------------|
| Component 1: Business Re-engineering and System Design, Testing and Installation. | \$ 134,000.00    | \$ 73,150.00        | \$ 207,150.00 |
| Component 2: Project Communications   | \$ 28,000.00     | \$ 0.00             | \$ 28,000.00  |
| Coordination and Monitoring and Evaluation  | \$ 18,000.00     | \$ 0.00             | \$ 18,000.00  |

#### V. Executing Agency and Execution Structure

- 5.1 The Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, was jointly designed with donors to be a Bank Executed Program, through the CCPF's Facility Coordination Unit (FCU) established in COF Barbados. The execution of this TC will be carried out by the Bank through the Competitiveness and Innovation Division (IFD/CTI) in coordination with FCU. Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the CCPF. The project will be executed in coordination with the Development Control Authority. 5.2 The execution and disbursement period will be 36 months and the UDR will be IFD. The activities to be executed are included in the Procurement Plan (Annex III) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-1 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) The procurement of consulting services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policy (GN-2303-20). The procurement of goods and works will be carried out in accordance with "Policies for the procurement of works and goods financed by the IDB" (GN-2349-9). However, an exception to this policy GN-2349-9 has been granted by the Board of Executive Directors so that goods, works, and services from non IDB member countries may be eligible in the procurement processes for activities to be financed entirely with resources from the Facility, provided that the country of origin or nationality of such providers is recognized by the donors of the Facility as eligible. The Bank and the Caribbean Development Bank (CDB) have entered into a financial agency agreement for the implementation of projects in the OECS.

- 5.2 The Bank, through the CCPF has demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels.

## **VI. Project Risks and Issues**

- 6.1 The most significant risks to achieving the planned objective are (i) coordinating inputs and obtaining full collaboration of all the agencies involved in issuing construction permits; (ii) the cost and time to undertake any unforeseen amendments to the legislative framework; and (iii) local capacity to maintain the system once installed. A Project Steering Committee, consisting of a senior member of staff of each agency involved in the permitting process, and a Compete Caribbean representative, will be established to assist with coordination and to provide oversight. The Committee will be chaired by the Chairman of the DCA Board and will meet quarterly to review progress and resolve implementation challenges. Additionally, the consulting firm engaged under Component 1 is required to train local IT professionals to maintain the system, through an initial training workshop and through transfer of skills over the 1-year period that the firm will be responsible for maintenance.

## **VII. Environmental and Social Classification**

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