Date ISDS Prepared/Updated: 09/28/2010

I. BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country: Bangladesh</th>
<th>Project ID: P121528</th>
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<tbody>
<tr>
<td>Project Name: BD Identification System for Enhancing Access to Services (IDEA) Project</td>
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<tr>
<td>Task Team Leader: Junghun Cho</td>
<td>Estimated Board Date: January 27, 2011</td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>Managing Unit: SASGP</td>
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<tr>
<td>Managing Unit: SASGP</td>
<td>Lending Instrument: Specific Investment Loan</td>
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<tr>
<td>Sector: General public administration sector (60%); Information technology (40%)</td>
<td>Theme: Other public sector governance (70%); Technology diffusion (30%)</td>
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<tr>
<td>IBRD Amount (US$m.): 0.00</td>
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<tr>
<td>IDA Amount (US$m.): 0.70</td>
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<tr>
<td>GEF Amount (US$m.): 0.00</td>
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<tr>
<td>PCF Amount (US$m.): 0.00</td>
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<tr>
<td>Other financing amounts by source:</td>
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<tr>
<td>BORROWER/RECIPIENT 0.10</td>
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B. Project Objectives [from section 2 of PCN]

The proposed project is the second phase of Bangladesh's long term drive for building national ID scheme, building on successful outputs of the first phase project, PERP. Therefore, the Project will attempt to address urgent deficiencies of current system and to lay a foundation for following phases; rather than perfecting the system at the end of project period. With this in mind, the PDO is to develop a reliable, authoritative national ID system that can serve as an efficient, secure data platform for delivery of multiple public services, and pilot usage of national ID system in (two/three) public and private service areas.

The expected benefits from this operation are:

# Revamped National ID database including entire population with reliable datacenter and facilities for disaster recovery
# Reliable poly-carbonate national ID cards for citizens providing opportunities for authorities to protect citizens from identity fraud and theft
# More efficient and transparent service delivery (in two/three areas) based on national ID database.
Well functioning National ID Registration Department of BEC to manage the national ID system,
which could emerge as autonomous national ID office in the future.

C. Project Description [from section 3 of PCN]
i) National Identification System and Services

1. This component would aim to institutionalize and make operational the core business of
the NIRD, namely the issuance of national identification cards and the provision of identity
verification services in Bangladesh. It would provide technical assistance and capacity building
inputs to design and implement the necessary procedures, records, databases, safeguards, quality
standards and public communications. It would encompass the following activities:

# Rules and regulations for management of the National ID system: Following recent
promulgation of the National ID and Registration Act, there is an urgent need to develop
secondary legislation to operationalize the Act. Activities under this component would include,
among others: a) setting up operational procedures for the newly established National ID and
Registration Department of BEC; and b) regulatory and operational procedures to replace current
ID cards with new cards.

# Comprehensive business process design for all NIDW operational activities (enrollment,
card issuance and replacement and e-services). The design would define specific and time-
bound actions - legal, institutional, and technical # to be taken to ensure well-coordinated linkage
between the national ID database and various databases (i.e., passport, tax identification number,
pension, and banking) in ministries and private sector. The strongest possible safeguards will
need to be put in place to ensure that the integrity of the NID database is not compromised.

# Comprehensive data cleansing. A long-term effort will be needed to ensure that NID
data will be accurate, complete and consistent across the critical data bases in the public and
private sector. Given the high accuracy of the voter list data base, it will be used as the standard
against which to verify accuracy. A procedure and (if necessary) a regulatory instrument will be
developed to investigate and adjudicate the various possible cases of discrepancy.

# Support to on-going Digital Birth Registration for Expanding National ID system. The
on-going Birth Registration Project of the MLGA has registered about 66 percent of entire
population on a paper basis and digitized about one percent of those registrations, but with
serious concerns about the accuracy. Therefore, the proposed Project would finance: a) the
Ministry of Local Government to complete on-going birth registration digitization, de-
duplication and data cleansing processes through direct financing to UNICEF; and b) linking
(logically) with national ID database once digitization of birth data is completed. This would
require a policy and institutional coordination among relevant agencies, appropriate security
safeguards and assurance of acceptable level of accuracy in the Birth registration database as
preconditions for this linkage.

# Utilization of the National ID system into the delivery mechanisms for selected services:
The proposed Project would finance necessary activities # goods and services- to allow the
national ID database to be integrated into the provision of 2-3 key services from private and public sectors. Possible priority areas could include tax-payer services by the NBR, social protection programs by the Ministry of Social Welfare, and mobile phone and banking services.

ii) IT Operations and management.

2. This component will aim to design and implement technology facilities necessary to implement the NID system and services. The Project would finance procurement of hardware, software, design consultancies and managed services for all the IT facilities of the NIDW.

# National ID Database, Datacenter & Disaster Recovery Center (DRS). The on-going PERP Project is currently upgrading the voter ID data center and disaster recovery center, which will be used as the national ID database later on. Provided that the upgrade is completed successfully within the intended time period, what is left to be financed by the proposed project is to correct data that are proved inaccurate by AFIS. In addition, it is agreed that the proposed project would finance establishing a tier-three datacenter by the time the planned National ID Resource Center is constructed by 2013.

# NID Card Production and Distribution. This subcomponent would finance printing equipment and material (polycarbonate) for production, physical storage, card life cycle management, and services for distributing new ID cards to eligible citizens. Given the authorities’ plan to replace the current ID cards with new cards within five years, the proposed Project would need to have a very efficient system of production, storage and distribution. It is agreed that the BEC would have a managed service with a private ID card production vendor instead of in-house production. It is also agreed that new ID cards would be distributed to the entire eligible population but a fee would be charged for future replacement.

# Data communications network. The proposed Project would establish a communications network (i.e. virtual private network) between the central Datacenter and 560 Upazila Offices, 63 District Offices, and 10 Regional Offices for local provision of NID related services. This would reduce the need for citizens to travel to Dhaka for their ID card update and relieve the heavy administrative burden for the Dhaka Office.

iii) Capacity building and Resource management

This component will aim to develop the capacity of the newly established National Identification Wing (NIDW) of the BEC to acquire and manage the human and financial resources necessary for the operation and sustainability of the NIDS system. The project will finance studies, consultancies, information systems and training to design and put in place policies, procedures, systems and oversight instruments to ensure independent, self-financing and reliable operation of the NIDW.

# Comprehensive capacity building program for the newly established NIDW of the BEC: The ID Act mandates the BEC to establish a separate department to deal with the national ID system and the organogram of NIDW has been recently approved by the MoE. While the BEC needs to expedite the recruitment process for staffing the NIDW, the proposed Project would identify specific needs # both ICT and change management # and provide a comprehensive capacity building program throughout the project period.
Financing and cost recovery system. The project will finance studies and information systems necessary to design and implement a cost recovery mechanism for the NID system. While it is agreed that the new ID cards would be distributed to the entire eligible population for free, a fee would be charged for future replacement. NID would also charge fees would be charged to private sector agencies for verification services.

Change management and communications: The Project would finance a team of international and local experts on change management and communications. The management of the national ID system and provision of services to public and private sectors are considerably different from the election management tasks of the BEC. This would require a change of skills, mindset and attitude, making the BEC, in particular NIRW, a more service-oriented organization. Similarly, Bangladesh citizens will need to understand the needs, benefits and issuance procedures of a national ID card.

iv) Project Management

The Project would finance key staff, including project director, highly skilled ICT specialists, financial management specialist, and procurement specialist, who are essential for implementation throughout the project period. List of specific skill sets and number of staff to be financed will be worked out and agreed during the preparation, considering the input from the National ID Master Plan. In addition, the Project would finance common expenses related project office management.

In addition, the Project would finance a team of international and local experts on change management and communication. The management of national ID system and provision of services to public and private sector are considerably different from conventional task of BEC, election management. This would require change of mindset and attitude, making BEC more service-oriented organization. BEC would be expected to be more citizen-friendly as maintaining ID system increases interaction with citizens significantly.

Given that the proposed Project has large share of highly specialized ICT investments and BEC#s lack of procurement and management capacity, the main beneficiary, BEC, has agreed to obtain services from professional contract management firm to manage entire tendering process and provide quality control services during implementation of such contracts.

D. Project location (if known)
The major project activities will be limited to Dhaka. However, the project will support IT facilities at regional, district and upazilla levels.

E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]
Not Applicable.

F. Environmental and Social Safeguards Specialists
Ms Sabah Moyeen (SASDS)
II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
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Environmental Category: C - Not Required

III. SAFEGUARD PREPARATION PLAN

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: N/A

B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: 11/30/2010

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing\(^1\) should be specified in the PAD-stage ISDS.
   A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared:

   The project preparation will not involve a Quality Enhancement Review (QER) and will aim for Decision Meeting in December 2010.

   B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS:

   The target date for preparing the PAD-stage ISDS is Early December 2010.

   C. Time frame for launching and completing the safeguard-related studies that may be needed.
   The specific studies and their timing should be specified in the PAD-stage ISDS:

   No social safeguards related studies are required.

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\(^1\) Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.
### IV. APPROVALS

<table>
<thead>
<tr>
<th>Signed and submitted by:</th>
<th>Task Team Leader:</th>
<th>Mr Junghun Cho</th>
<th>09/08/2010</th>
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<tbody>
<tr>
<td>Approved by:</td>
<td>Regional Safeguards Coordinator:</td>
<td>Mr Sanjay Srivastava</td>
<td>09/08/2010</td>
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<td>Comments:</td>
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<td></td>
<td>Sector Manager:</td>
<td>Mr Joel Hellman</td>
<td>09/08/2010</td>
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