

**MULTILATERAL DAYS 2023**

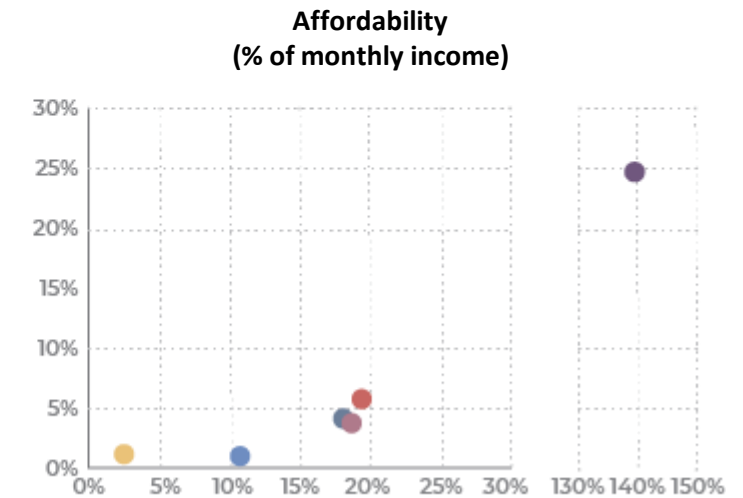
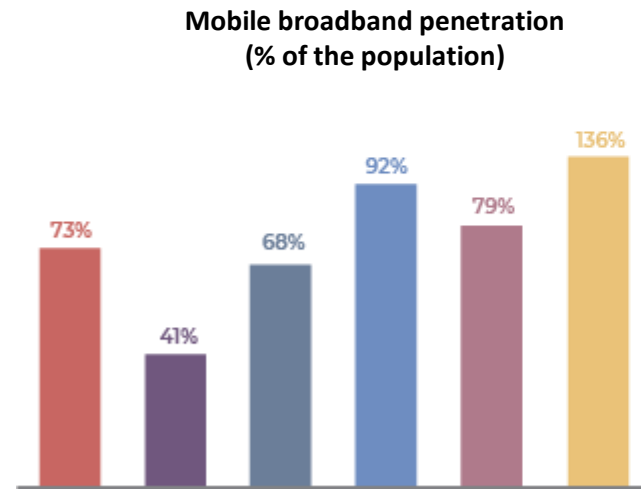
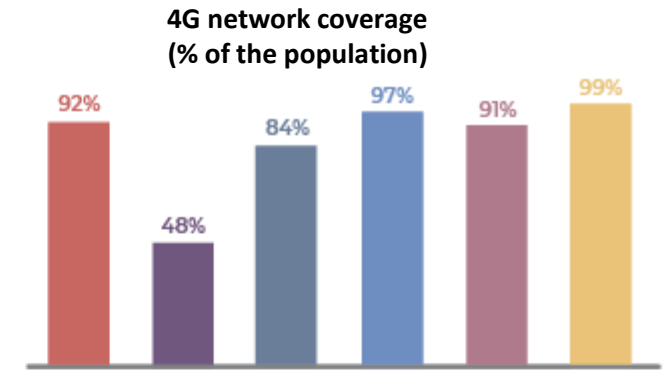
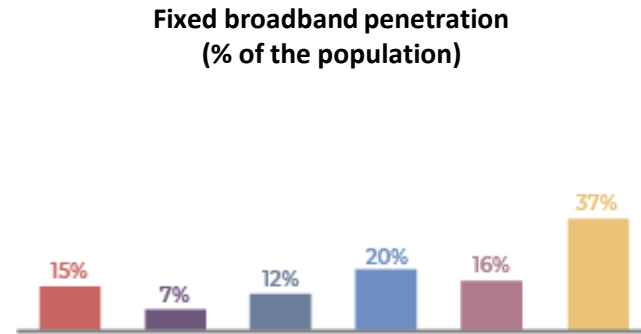
**Digital Connectivity  
&  
Digitalization**

Esther Rodriguez  
Operations Senior Specialist



# THE DIGITAL INFRASTRUCTURE GAP

- There is a **US\$108 billion digital infrastructure gap** for LAC to catch up with OECD countries.
- **Closing this gap could help increase the region's GDP by 8% annually**, raise productivity by 6.5%, and generate more than 16 million direct jobs



● Centroamérica ● Caribe ● Países Andinos ● Cono Sur ● BID ● OCDE

Source: digiLAC, BID, UIT, World Bank 2022

The affordability measure presented is defined as the percentage of monthly income that a broadband subscription represents for the bottom of the pyramid (40% of the population with the lowest income).

# IDB CROSS-SECTORAL PROGRAM



**129**

loan operations supporting digital transformation for US\$ 7,796M



**100+**

technical cooperations that support digital transformation amounting to US\$ 40M



Sample of projects including cybersecurity and connectivity components.



# IDB CONNECTIVITY PROGRAM



**13**

loan operations supporting digital infrastructure for US\$ 1.9B



**35+**

technical cooperations that support digital transformation amounting to US\$ 11M



Sample of projects including cybersecurity and connectivity components.

# INTEGRAL APPROACH FOR DIGITAL INFRASTRUCTURE

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**Data analytics** to optimize investments and improve project design



-  **ConectaLAC**, a digital infrastructure map to measure the socioeconomic impact (GDP, direct and indirect employments,...) of different types of investments in digital infrastructure and design cost-optimized connectivity projects.



**Funding and resource mobilization** to close financing gap



- Use of **innovative finance instruments** (blended finance, thematic bonds, Universal Service Funds, among others).
- Define digital infrastructure **gaps** and estimate socioeconomic **impacts**.
- Leveraging resources from **donors** (Israel, Spain, USA, Japan)



**Dialogue** to ensure stakeholders collaboration and alignment



- Permanent member of **SDG Digital Day Advisory Group**.
- Participate in initiatives like Partner2connect from ITU that convenes **public and private sector stakeholders**.
- Leverage existing **networks** to ensure collaboration (Best Network, RedGealc, etc)

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ConectaLAC

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# TEAMING UP WITH OTHER DEVELOPMENT INSTITUTIONS TO SCALE UP PUBLIC AND PRIVATE RESOURCES

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- To coordinate the development of **holistic financial solutions** and **risk mitigation mechanisms** at the country and regional level to close digital infrastructure gaps in developing countries.
- This will allow us to **invest much more in digital public infrastructure**, including the digital backbone, last mile connections, data centers, submarine cables, and satellites.
- **MoU between World Bank and IDB**
  - Promoting digitalization is a pillar of our partnership
  - Joint mission World Bank – IDB to Colombia
  - Connected Schools for All Initiative



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# Knowledge Products to Support Digital Transformation in LAC

## DigiLAC



### Global Development Index

<https://digilac.iadb.org/en>



## Publications

PUBLICACIONES

Informe anual del Índice de Desarrollo de la Banda Ancha: IDBA 2020: Brecha digital en América Latina y el Caribe  
Junio 2021  
Author(s): García Zaballos, Antonio; Iglesias Rodríguez, Enrique; Puig Gabarró, Pau  
Está avanzando la región América Latina y el Caribe (ALC) en cerrar las brechas de acceso a la Banda Ancha? Esta actualización del Índice de Desarrollo de la Banda Ancha (IDBA), conformado de 44...

Strategies and Business Models for Improving Broadband Connectivity in Latin America and the Caribbean: Guidelines for the Planning, Investment, and Rollout of Broadband Networks  
Mayo 2021  
Author(s): Puig Gabarró, Pau; García Zaballos, Antonio; Iglesias Rodríguez, Enrique; Sepúlveda, Ana; Wong, Alex; Yoo, Christopher  
Lograr una conectividad digital universal y asequible es un objetivo fundamental para todos los países de América Latina y el Caribe (ALC). Si bien se han logrado avances significativos para avanzar en el estado de la conectividad de los países de esta región...

Cerrando la brecha de conectividad digital: Políticas públicas para el servicio universal en América Latina y el Caribe  
Febrero 2021  
Author(s): García Zaballos, Antonio; Huici, Héctor; Puig Gabarró, Pau; Iglesias Rodríguez, Enrique  
Este documento analiza el estado de los fondos de servicio universal en América Latina y el Caribe y desarrolla recomendaciones específicas relativas a criterios de eficiencia, estabilidad, interoperabilidad, flexibilidad, sostenibilidad e igualdad de oportunidades...

Transformación digital: Compartición de infraestructura en América Latina y el Caribe  
Diciembre 2020  
Author(s): Martínez Garza Fernández, Ricardo; Iglesias Rodríguez, Enrique; García Zaballos, Antonio  
Este reporte brinda un panorama detallado y actualizado de las políticas y prácticas de ciberseguridad en los países de América Latina y el Caribe, ofreciendo una perspectiva

## BEST (Broadband Environment for Sustainable Transformation) Regional Dialogue Network

<https://digilac.iadb.org/en/comunidad>

# Status of digital government in the region

- Digital agenda: 15 countries
- Interoperability platform: 12 countries
- Digital identity: 12 countries
- Digital signature: 22 countries
- Personal data protection laws (12+3 countries)
- Artificial Intelligence Strategy: 2 countries (+4 developing)

# The five axes of government digital transformation

Governance and institutional framework



Legal and regulatory framework



Digital talent and change management



Infrastructure and technological tools



New digital processes and services



# Portfolio & Pipeline

## IFD/ICS 2023

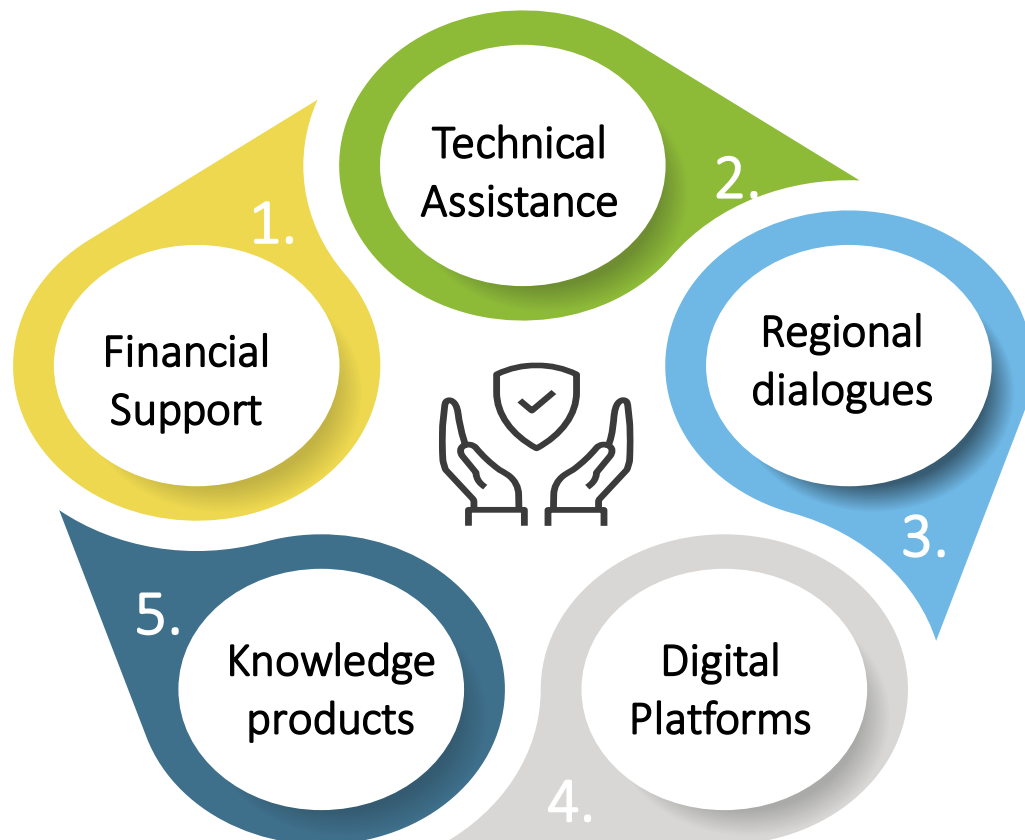
➔ 57 loan operation in execution that support digital transformation for USD \$ 2,968 M

● 11 loan operations in digital Pipeline\* for US\$ 642.5 M



Sources: BI Reports and Dashboard OPER\_10 \* Pipeline of Financial Products By Division

# IDB's Approach to Simplification and Better Regulation (GRP)



1. Loans to increase competitiveness and improve business environment: México, Ecuador, Perú and Brazil.
2. Technical assistance to Strengthen the institutional capacity for GRP: Chile, Costa Rica, El Salvador, México, Dominican Republic, Guatemala, Honduras.
3. Regional dialogue: American Business Dialogue (private sector); Better Regulation Network (with OECD), Mercosur.
4. Digital platforms: Chile; El Salvador; Mexico; Paraguay.
5. Knowledge products: Virtual courses on RIA; Regulation of technological innovation; IDB publication: [“Are we ready to Regulate?”](#)

# Regulatory Burden in Paraguay

***Components of the Global Competitiveness Index (2019)  
Paraguay's global position is 97th among 141 economies***

Indicators of the Institutions pillar and subindex "Public Sector Performance"	Ranking (Paraguay's position among 141 economies)
Burden of government regulation	64
Efficiency of the regulatory framework to resolve disputes	136
Electronic participation	96
Indicators of the Business Dynamism pillar and the "Administrative requirements" subindex	Ranking (Paraguay's position among 141 economies)
Cost of starting a business (% of GDP per capita)	124
Time to start a business (days)	123

Source: [https://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf)

# Support from Portugal to Paraguay

**Technical Cooperation:** “Administrative Simplification and Regulatory Improvement”

**Objective:** contribute to the reduction of transaction and regulatory compliance costs that citizens and businesses must handle while interacting with the Government. The project builds on the knowledge generated by the Portuguese Government in initiatives in the areas of service delivery and better regulation.

**Funds:** Portuguese Technical Cooperation Trust Fund (PTF), the initial amount of €146,850 (2020) had an increase of €100,000 in 2022

# Components of the TC



## ***Simplification and Modernization of Government Services (Digital Agenda and technical assistance):***

*Simplify administrative transactions and support the integration of services provided to citizens and companies.*



## ***Promotion of Better Regulation:***

*Improve the quality of regulations through capacity development and the adoption of management instruments for the flow and stock of regulations.*

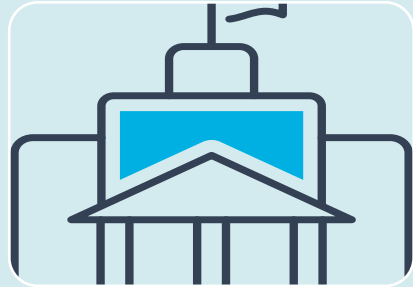




# Products delivered



*13 Training sessions on service delivery and simplification processes.*



*Two study tours for exchange of experiences, to Lisbon and Asuncion*



*Development of a digital simulator for starting simplified stock companies*



*Study on International Regulatory Cooperation, identifying regulatory commitments of Paraguay*



*2 RIA Pilots: movable assets for SME financing, and product labeling*

## Additional products delivered



*Study on the relationship between informality and regulation*



*Diagnostic and recommendations for a Better Regulation Action Plan*



*Inclusion of Paraguay in the Regulatory Policy and Governance chapter of the new “BID-OCDE Government at Glance LAC”*



*Incorporation of Paraguay into the Ibero-American and Caribbean Network for Better Regulation*

# Artificial Intelligence Tool

PlanAPP and NOVA University developed a tool for Portugal that allows the automatic identification and quantification of administrative costs of regulations

NOVA was hired by the IDB to develop a Spanish version of the tool for the Government of Paraguay

It is expected to be completed by August of 2024

# Upcoming projects

This month, more than 100 Paraguayan officials were trained in Better regulation, showing the support of the new government for the issue.

IDB requested €90k from the PTF for the development of a version of the AI tool for the Government of Brazil.

In 2024, the IDB will conduct analytical studies using data generated by the AI tool to better understand regulatory burden in the region.



**BRAZIL**

**iThank you!**

