



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 03-Aug-2020 | Report No: PIDISDSC30144



BASIC INFORMATION

A. Basic Project Data

Country Mexico	Project ID P172647	Parent Project ID (if any)	Project Name National Digital Identity System to Facilitate Inclusion (P172647)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Dec 14, 2020	Estimated Board Date Feb 18, 2021	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) United Mexican States	Implementing Agency Ministry of the Interior (SEGOB)	

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to establish a foundational digital ID system in Mexico that will ensure universal and unique identification of individuals to facilitate their access to services and benefits.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	250.00
Total Financing	250.00
of which IBRD/IDA	250.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	250.00
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Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track II-The review did authorize the preparation to continue



Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The country is experiencing supply and demand shocks to the economy, that will generate impacts on firms, employment, and households.** In this context, the implementation of economic and social policies to improve the business environment, protect jobs, and support the overall economic fabric are critical.
2. **Strengthening public sector institutions to have efficient channels and platforms to transfer support to the population that needs them is a critical challenge that requires a long-term strategy.** The establishment of a trusted and inclusive National Identity System is an important element of the institutional strengthening in Mexico. The identification system in Mexico is critical given its relation to financial access, economic opportunities, and the possibility of receiving government social transfers.

Sectoral and Institutional Context

3. **Over the last three decades, Mexico has improved its foundational identification system, however challenges remain in order to guarantee a reliable and unique identity.** In 2018, nearly 3.7 million people in Mexico are still unregistered (WB, 2018), representing nearly 3 percent of its population, higher than regional peers such as Argentina, Chile and Colombia. Recent research also shows that higher levels of birth under-registration and lower timely birth registration persist for vulnerable populations, reflecting challenges of civil registration (UNICEF, 2019; WB, 2018). While Mexico has made progress in the design and implementation of the national identifier (*Clave Única de Registro Poblacional, CURP*), adjustments are needed to ensure universality and uniqueness. The absence of a reliable ID system has resulted in multiple institutions trying to provide identification through functional registries created for specific purposes. Moreover, these functional registries do not exchange information, resulting in identity silos. These challenges have contributed to identity theft, fraud, low financial inclusion, and inefficiencies in social spending.
4. **The establishment of a foundational digital identity system will facilitate access to critical services, especially for vulnerable populations.** The Government of Mexico has committed to tackling the long-standing challenges to guarantee a universal and reliable ID system, as states in the National Development Plan 2019-2024. A reliable and trusted ID system will be accomplished through a comprehensive strategy to eliminate under-registration, improve timely registration, guarantee unique identity by linking CURP with birth registries and biometric information using modern deduplication methods, and to provide reliable verification services that facilitate access to health, education, social protection and finance, among others.

Relationship to CPF

5. **The proposed project is strongly aligned with the Country Partnership Framework (CPF) for the period FY2020–FY2025.** Objective 3 of the CPF focuses on the improvement of resource allocation and institutional policy coordination, acknowledges that in order to meet the aspirations for inclusive growth it is critical to improve the government's capacity to deliver public services, and that access to finance, as well as the accuracy of targeting mechanisms in social protection, are limited due to the lack of a single identity system. In this context, the CPF foresees support to address the fragmentation of personal ID systems and the establishment of a national personal ID service as critical elements to



enable access to social and economic rights. Moreover, the proposed project is also instrumental for achieving Objective 1 that seeks to foster financial intermediation and inclusion, as well as Objective 4, which seeks to strengthen the institutional capacity to deliver high-quality, inclusive social services.

C. Proposed Development Objective(s)

- 6. The proposed Project Development Objective (PDO) is to establish a foundational digital ID system in Mexico that guarantees inclusive universal and reliable identity to individuals to facilitate their access to services and benefits.

Key Results (From PCN)

Percentage of the population that has been issued a unique identity

Number of successful digital ID verifications provided by RENAPO to facilitate service delivery

Percentage of persons with a unique identity in under-registered populations

D. Concept Description

- 7. The proposed Project Development Objective (PDO) is to establish a foundational digital ID system in Mexico that will ensure universal and unique identification of individuals to facilitate their access to services and benefits.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

CONTACT POINT

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APPROVAL

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