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ANNEX

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of Aruba for 2023 and 2024

Action Document for Digitalisation through the E-government Roadmap in Aruba

MULTIANNUAL PLAN

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of NDICI-Global Europe Regulation and as referred to in Article 82 of the DOAG.

1. SYNOPSIS

1.1. Action Summary Table

1. Title OPSYS Basic Act	Digitalisation through the E-government Roadmap in Aruba OPSYS number: ACT-61831 Financed under the Decision on the Overseas Association Decision including Greenland with the EU (DOAG)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The Action shall be carried out in the Overseas Country and Territory (OCT) Aruba
4. Programming document	Aruba Territorial Multiannual Indicative Programme (MIP) – Annex II of Commission Implementing Decision adopting 2 multiannual indicative programmes for Overseas Countries and Territories for the period 2021-2027
5. Link with relevant MIP(s) objectives / expected results	<p>The Action will contribute to three specific objectives (SO) and expected results of the MIP:</p> <ul style="list-style-type: none">• SO1. The Aruban Government becomes an effective service-centred organisation by 2030.• SO2. Citizens of Aruba can seamlessly and securely access government services digitally at all times by 2030.• SO3. E-Government creates a pathway to unlock new economic value and opportunities created by this new digital economy. <p>Expected results are the following:</p> <p>For SO1:</p> <ul style="list-style-type: none">i. An integrated e-government system is builtii. A national digital identification system is implementediii. A clear regulatory framework for electronic transactions and communications is developediv. Core government services are simplified and digitisedv. An inclusive e-government awareness campaign is designed and implemented

	<p>For SO2:</p> <ul style="list-style-type: none"> i. A robust data privacy and cybersecurity model for the public sector is developed ii. Investment in readiness of public sector workforce and citizens for e-government is facilitated iii. An effective e-government coordination structure is instituted <p>For SO3:</p> <ul style="list-style-type: none"> i. A sustainable financial and procurement model is established ii. An E-government enabling ecosystem is created 			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Priority Area: Public sector policy and administrative management			
7. Sustainable Development Goals (SDGs)	<p>Main SDG is:</p> <p>SDG 9 ‘Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation’</p> <p>Other significant SDGs are:</p> <p>SDG 5 ‘Gender equality’</p> <p>SDG 8 ‘Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all’</p> <p>SDG 16 ‘Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels’ is the main SDG</p>			
8 a) DAC code(s)	15110			
8 b) Main Delivery Channel	Central Government (recipient) – 12001			
9. Targets	<p>Please, indicate (if relevant) to which target(s) (including NDICI-Global Europe Regulation, INTPA and EU targets) this action is contributing to (indicatively)</p> <p><input type="checkbox"/> Migration</p> <p><input type="checkbox"/> Climate</p> <p><input checked="" type="checkbox"/> Social inclusion and Human Development</p> <p><input checked="" type="checkbox"/> Gender</p> <p><input type="checkbox"/> Biodiversity</p> <p><input checked="" type="checkbox"/> Education¹</p> <p><input checked="" type="checkbox"/> Human Rights, Democracy and Governance²</p>			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

¹ This target is specific to INTPA. If the action is marked as contributing to the Education target, please make sure the target on “Social inclusion and Human Development” is also marked.

² Thematic target for geographic programmes (at least 15%) in delegated act.

	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line(s) (article, item): 14.050200.01 – Territorial Programme Total estimated cost: EUR 14 200 000 Total amount of EU budget contribution EUR 14 200 000 of which <ul style="list-style-type: none"> • EUR 14 000 000 for budget support, and • EUR 200 000 for complementary support. 			

	The contribution is for an amount of EUR 6 651 867 from the general budget of the European Union for 2023 and for an amount of EUR 7 548 133 from the general budget of the European Union for 2024, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	Direct management through: <ul style="list-style-type: none"> Budget Support Sector Reform Performance Contract Procurement

1.2. Summary of the Action

The Aruba Multiannual Indicative Programme (MIP) for 2021-2027³ on digitalisation/e-government will be implemented through one single Action of EUR 14 200 000 with the OCT Aruba (with EUR 14 000 000 earmarked for budget support⁴ and EUR 200 000 for complementary support) over the period 2024-2027. The implementation will be carried out by the Government of Aruba, in particular the Department of Innovation (DVI), which was established in 2022 and is operational under the Ministry of General Affairs, supported by inter-departmental working groups as needed.

By identifying digitalisation/e-government as the main priority area, the Action is fully in line with the framework of cooperation established by the Decision on the Overseas Association, including Greenland (DOAG).⁵ It will also contribute to the Global Gateway investment priority on digital, making the EU an exclusive partner of Aruba for the deployment of its digital ecosystem. The Action is also in line with the EU's 2030 Digital Compass: the European way for the Digital Decade's objectives, in which sustainable development via digital interventions is a major component. Digitalisation is also contributing to the implementation of the Green Deal, notably to achieve climate-neutrality and to enhance the circular economy pathway.

The Action intends to support Aruba's digital transition by introducing digital technologies into the work processes of government, by ensuring accessible digital public services and by developing new businesses. This will be achieved by (i) the further design of the e-government system (e.g. enhancement of legal and regulatory framework, digitalisation of key services with respect to all eGovernance blocks and especially the interoperability measures⁶), (ii) secured access (e.g. robust data privacy and data sharing, cybersecurity model) and (iii) new economic opportunities (e.g. procurement model, enabling financial environment).

The complementary support will be used to reinforce the limited administrative capacity of Aruba and explore the potential of InvestEU.

2. RATIONALE

2.1. Context

2.1.1 General context

Aruba is one of the four constituent countries of the Kingdom of the Netherlands together with the Netherlands, Curaçao, and Sint Maarten and is located in the Caribbean region. As head of state of the Kingdom of the Netherlands, King Willem-Alexander is represented by a Governor. Aruba has its own government and parliament.

³ https://international-partnerships.ec.europa.eu/document/0e46e9d5-65f4-495f-9709-2987694834c9_en?filename=mip-2021-c2021-9164-oct-annex-5-aruba_en.pdf

⁴ Aruba opted for budget support for the 10th EDF and for project management for the 11th EDF.

⁵ [Council Decision \(EU\) 2021/1764 of 5 October 2021 on the Association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other](#) (OJ of 7.10.2021 ; L355,6).

⁶ A Connexion interoperability platform pilot project for secure data-sharing will be modelled after learning experiences from others (notably from one EU MS with strong expertise on digitalisation) and adapted where required (and possible) to Aruba's needs. This platform is referred to as "Conexion" (connection in Papiamentu).

Since the constitutional changes of 1986 (Status Aparte), the Government of Aruba has control over internal affairs, including aviation, customs, communications and immigration; while the Kingdom of the Netherlands is responsible for external affairs, such as defence and foreign policy. The Aruban executive consists of the Council of Ministers responsible to the Staten (the legislature). The Staten has twenty-one members, who are elected every four years.

EU cooperation with Aruba is framed by Part IV of the Treaty on the Functioning of the European Union (TFEU) and the Decision on the Overseas Association including Greenland (DOAG). OCTs are constitutionally linked to a Member State, in the case of Aruba to the Netherlands, but are not part of the EU territory, and therefore are not bound by the EU *acquis*.

Digitalisation/e-government, as part of the island's sustainable development, was jointly identified by Aruba and the European Commission as the priority area of Aruba's Multiannual Indicative Programme (MIP) 2021-2027⁷ adopted in December 2021. The MIP will be implemented through one single Action.

2.1.2 Territorial context

Aruba is an island with a population of 107 504 (2022)⁸, situated about 50 kilometres north of Venezuela. The GDP per capita of Aruba is USD 21 962⁹, approximately EUR 20 470.

The economy of Aruba relies heavily on tourism since this sector accounts for about 90% of GDP (2021).¹⁰ The COVID-19 pandemic had an enormous impact on the economy and government fiscal position as the tourism receipts fell steeply. In the comprehensive post-COVID-19 recovery plan "Repositioning Our Sails Master Plan for Economic Recovery and Resilience"¹¹ of February 2021, the Aruban government emphasizes the role of digital technology. The plan envisages an Aruban economy with harmonised employment regulations for the public and private sectors, investments in education and retraining, simplification of the tax code and a shift to e-government to reduce and simplify bureaucracy.

The digital ambitions of the Government of Aruba were elaborated in the "E-Government Road Map 2021-2025"¹². The E-government agenda is a major policy priority for Aruba since 2018. This Roadmap is a key step in institutionalising the digital transformation plans of the Aruban Government and outlines the general principles for achieving its vision of becoming a more pro-active government by 2030 that better anticipates people's needs. The improvement of resilience and governance through digitalisation via the E-Government Roadmap was jointly identified by Aruba and the European Commission as the priority area of the EU territorial programme 2021-2027.

This Roadmap focuses on the key actions to be taken in the next five years to establish the foundation for e-governance in the Aruba civil service. The key actions to achieve the strategic objectives in the subsequent phases (2021-2030) will be agreed with stakeholders upon completion of a Conexion interoperability platform pilot project. The interoperability platform for secure data-sharing will be modelled after learning experiences from others (notably from Estonia as an EU Member State with strong expertise on digitalisation) and adapted where required to Aruba's needs.

2.1.3 Strategic framework

With the proposed Action, Aruba will have the opportunity to become more integrated into the regional and global digital ecosystem. This support therefore contributes to the Global Gateway investment priority on digital, through which the EU works with partner countries and territories to address digital divide and deploy digital networks and infrastructures. Digitalisation is also contributing to the implementation of the Green Deal, notably to achieve climate-neutrality and to enhance the circular economy pathway.

The Action is also contributing to the 2030 Agenda for Sustainable Development Goals (SDGs), which highlights the importance of information and communication technologies as powerful enabler of sustainable growth.

⁷ https://international-partnerships.ec.europa.eu/document/0e46e9d5-65f4-495f-9709-2987694834c9_en?filename=mip-2021-c2021-9164-oct-annex-5-aruba_en.pdf

⁸ <https://cbs.aw/wp/index.php/2022/06/16/quarterly-demographic-bulletin-2022>

⁹ IMF's Article IV for Aruba : <https://www.imf.org/-/media/Files/Publications/CR/2021/English/1ABWEA2021001.ashx>

¹⁰ <https://country.eiu.com/article.aspx?articleid=1411635724>

¹¹ https://www.repositioningoursails.com/MasterPlan_RepositioningOurSails.pdf

¹² https://oecd-opsi.org/wp-content/uploads/2021/05/eGov_Roadmap_Final.pdf

Such cooperation would also reinforce important earlier joint achievements of the partnership between the EU and Aruba such as the development of a new science faculty at the University of Aruba.

Besides, Aruba is eligible for the InvestEU Programme¹³ on a competitive basis, which can also contribute to boost its investments in the digital sector. It will be needed, notably through the technical assistance, to further reflect on how InvestEU could complement this action on digitalisation, which will reinforce the enabling conditions for investments in the digital sector, notably on IT infrastructures.¹⁴

2.2. Problem Analysis

Paper-based government processes are time-consuming, inefficient, and prone to errors. It can also lead to corruption and delays in service delivery to people. Aruba faces this problem along with other countries and territories. The lack of digitisation and automatisisation of government processes and services is the main reason behind the inefficiencies and problems in the traditional paper-based system. In addition, the absence of a comprehensive and integrated system contributes to the problem as, currently, government entities have developed their own stand-alone digital solutions and there is no exchange of data between them.

E-governance refers to solutions in which the government's digital systems are integrated and it could potentially include all government processes and services that are digitised and accessible through online platforms. Commonly, e-gov systems encompass three components: G2G (Government to Government, include data exchange between government bodies), G2B (Government to Businesses such as tax reporting and payments, permits and licenses), and G2C (Government to Citizens including citizen registration, social services, and access to government information). Although e-government should be developed using a modern ICT system, its provisions are not demanding for computer resources, and most of the needed IT methods and tools are already used in the private sector (banking, telecommunication, tourism services). Most pertinent challenges in the development of e-government solutions are the relevant legal and regulatory requirements to ensure that privacy and security concerns are addressed, to ensure compatibility with existing government systems and to ensure online accessibility for all.

The Aruban Government has identified the digital transformation of government services as a priority project in Aruba's National Strategic Plan 2020-2022 "Nos Plan Nos Futuro"¹⁵ to achieve the UN 2030 Sustainable Development Goals (SDGs). In addition to the expected gains in government's efficiency and effectiveness in service delivery, further digitalisation of the Aruban government will have important spin off effects on the economic structure of Aruba in the longer term and increase the resilience of the island.

The Aruban E-government Roadmap for 2021-2025 provides "*guiding principles and actions to develop a robust e-government model, empower citizens, and give public employees the necessary skills to help transform government*". Among the envisaged benefits are the following:

- Efficiency gains by transforming legacy systems into simplified paperless systems
- Saves money and time (travel expenses, rent offices, cars, online meetings, seminars, etc.)
- Faster and better e-services for citizens and businesses
- Better data and timely analytics increase the quality of the decision-making processes
- Creates transparency and new opportunities for enhancing democracy
- Mitigates corruption
- Creates equal opportunity for all citizens regardless of their socio-economic background or physical (dis)abilities

The COVID-19 pandemic has strongly deteriorated government's fiscal position. With financial support of the Netherlands, the Aruban Government managed to overcome the crisis, but with an increased debt burden. The current macro-fiscal policy is prudent and directed on reducing the debt burden. In this context, the fiscal space of Aruba to invest in the public digital infrastructure is limited. This Action therefore provides to Aruba the financial leeway to introduce a systematic approach to e-government.

¹³ https://investeu.europa.eu/index_en

¹⁴ It should be noted, however, that Aruba needs the agreement of the Council of Ministers to borrow on international markets.

¹⁵ <https://www.deaci.aw/wp-content/uploads/2020/11/FINAL-NSP-REPORT-STRATEGY-10202020.pdf>

Digitalisation can also support the green transition by unlocking health and environmental gains in other sectors and by creating a full circular economy (notably for e-waste management). Digital technologies can also deliver GHG reduction emissions in high emission sectors as well as unlocking opportunities in the field of early warning systems and disaster risk management to be more responsive in times of crisis.

Finally, digitalisation is also a key enabler for women's empowerment and gender equality. To unleash its full potential, its gender dimensions must be taken into consideration. Failing to understand and address differentiated impacts of technology on women and men is likely to increase the gender digital divide. Explicit measures are essential for e-governance to be an effective and gender-responsive public policy instrument.¹⁶ Aruba's National Gender Policy (May 2022) aims to strengthen systems and capacities to overcome structural barriers that impede gender equality and transform gender relations at all levels, including by countering gender stereotyping.¹⁷ There is the need for Aruba to strengthen its gender-sensitive monitoring.¹⁸ The Action will address the differentiated impacts of technology on women and men to build capacities and partnerships and to dismantle gender stereotypes and other barriers so that women can benefit equally from the opportunities offered by digitalisation. The Action will also work to ensuring the equal participation and opportunity of all individuals with a reaffirmed commitment to non-discrimination across all institutions, laws, and policies, and strengthened efforts to combat the harmful norms and stereotypes that negatively affect marginalised groups. An intersectional approach is critical to understanding and combatting the layered and dynamic forms of discrimination people face.¹⁹

Stakeholders

The E-government Roadmap was prepared in broad cooperation with all Aruba Government departments that interact with citizens and businesses. However, the main stakeholders identified to be covered by the Action are:

- The Department of Innovation (DVI) which has the mandate from the government to oversee the implementation of the E-Government Roadmap. DVI operates under the Ministry of General Affairs and reports directly to Premier Minister.
- The Department of Finance (DF) which has an important role in the fulfilment of the budget support's eligibility criteria regarding fiscal policy, public finance management reforms and transparency of budgetary documents.
- A Gender Steering Committee was instituted by Aruba's First Female Prime Minister together with the Ministry of Social Affairs and Labour, for the development of a national gender policy. The steering committee is composed of representatives from the government, including Bureau of Women's Affairs, non-governmental organizations (NGOs), academia and the private sector.
- Other stakeholders identified are the government entities that (will) provide digital services to people and business and will need to work through the inter-operability framework 'Conexion.' Foremost is the tax administration (Belastingdienst), but also the agencies responsible for the implementation of social security (SVb) and health insurance (AZV) are key stakeholders.
- The beneficiaries of the Action are all inhabitants of Aruba including private and public sectors as well as international visitors.

2.3. Additional Areas of Assessment

2.3.1. Public Policy

Aruba's E-Government Roadmap 2021-for 2025 approved by the Aruba Council of Ministers in 2020 has a long term vision as it states "*This E-government Roadmap is more than a digitization strategy. It is a strategy about meeting the needs of people within a service model that is fit for the demands of the 21st century*". The policy should transform Aruba's administration into an effective service-centred organisation in which people will be able to access digital government services digitally seamlessly and securely on 7/24. The eGov implementation's

¹⁶ [Gender equality in digitalization. Key issues for programming. UNDP](#)

¹⁷ [Aruba National Gender Policy](#)

¹⁸ As of December 2020, only 6.7% of indicators needed to monitor SDGs from a gender perspective were available with gaps in key areas such as domestic work and key labour market indicators (e.g. unemployment rate and gender pay gaps): <https://data.unwomen.org/country/aruba>

¹⁹ [Aruba National Gender Policy](#)

critical step is implementing the Conexion (connection in Papiamentu) interoperability platform. The Conexion will provide the whole government with an efficient and secure way to monitor and use inter-department data.

The Roadmap provides “guiding principles and actions to develop a robust e-government model, empower citizens, and give public employees the necessary skills to help transform government. The Roadmap plan implementation consists of the following phases:

- ❖ *Design phase (2018-2020)*
- ❖ *Setup phase (2020-2025)*
- ❖ *Growth phase (2025-2027)*
- ❖ *Maturity phase (2028-2030)*

The following key results are envisaged by the end of the growth phase:

- A secure interoperability framework that connects 35% of core services
- A Digital ID is introduced that provides citizens and business access to various online government services
- Simplify (where needed) and digitize up to 50% of core services
- Introduce digital payments for 80% of core services

The relevance analysis has shown that some elements for credible policy implementation still need to be put in place such as the setting up of a clear monitoring framework with SMART indicators and an annual reporting cycle. Also, the staffing and operational budget of the implementing department DVI need to be increased.

The design as well as the implementation of the E-government policy of Aruba rely on the specific needs of the island while also taking into account existing practices and last developments in the EU, in particular on:

- Electronic identification (eID)

Within the scope of Aruba's e-government strategy and informed by the EU regulation on electronic identification and trust services²⁰, the initial phase involves the implementation of the Electronic ID, which serves as the inaugural component of eIDAS integration. Subsequently, the remaining eIDAS components, encompassing Electronic Signature, Electronic Seal, and Trusted Services, will be seamlessly integrated into the infrastructure via the Connexion platform. This central hub stands as the linchpin for data exchange within Aruba's e-government landscape.

- The possible use of innovative technologies

The development of E-government, notably its organisational structures and capacities, also relies on the appropriate use of innovative technologies, such as artificial intelligence (AI), to revolutionise service delivery and elevate interactions between government entities and citizens/businesses. Beyond this, the opportune implementation of advanced technology solutions, with AI at the forefront, could play a pivotal role in safeguarding government systems and data, in providing immediate assistance to users (chatbots) and in developing accessibility features for people with disabilities using voice recognition and text-to-speech technologies.

- The assessment of existing processes and their potential re-design in light of digital opportunities

The transformation of existing paper-based and digital services is imperative, necessitating a comprehensive re-evaluation and, where required, redesign to seamlessly align with the evolving landscape of E-government processes. Central to this transformation is the adoption of the "once-only" principle, an essential pillar ensuring that users need only furnish specific information to government authorities once.

Once this data is securely stored, the Connexion platform will facilitate the seamless dissemination of requisite information across all facets of e-government operations.

- An environmentally friendly digitalisation

Regarding the environmental issues, E-government can contribute to efficient governance by providing platforms for policy coordination, data sharing, and stakeholder engagement. It enables the integration of various environmental datasets, supporting the monitoring and reporting ecological indicators and progress toward sustainability goals. This includes considering energy efficiency, minimizing e-waste, promoting green data centres, and leveraging renewable energy sources for digital infrastructure. E-government platforms can also foster

²⁰ <https://eur-lex.europa.eu/eli/reg/2014/910/oj>

digital solutions for energy management, smart mobility, sustainable supply chains, and circular economy practices.

The digital policy is well-perceived and the government of Aruba is in contact with the Dutch government for technical support. There are always associated risks for such complex and crosscutting developments as E-government. The main challenges for the Aruba eGov programme are not unique and were faced by other countries and territories. Based on these experiences, the challenges are considered not to be technical, but in the following domains:

- Administrative issues that require coordination. This issue has already been addressed with the creation of the Innovation Department which is fully responsible for the overall eGov programme success;
- Judicial issues to ensure that data are transferred while adhering to privacy and security demands;
- The necessity of capacity building and training programmes for the government staff, citizens and businesses (digital divide issues);
- Implementation of the *Conexion* platform which integrates digital platforms that are currently operating independently of each other.

The risks are considered low, as there is a strong political commitment to develop e-government in Aruba. In order to ensure that e-government will have environmental benefits too, the Government is committed to carry out an impact assessment to map the potential negative impact of increased energy consumption and the need to minimise e-waste.

In conclusion, the policy is sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore, the policy can be supported by the Commission with the proposed budget support contract.

2.3.2. Macroeconomic Policy

Relations with IMF and the Netherlands

The relationship between Aruba and the International Monetary Fund (IMF) is confined to the Article IV consultation²¹ since there are no loan or support programmes in place.

Aruba is one of the four constituent countries that form the Kingdom of the Netherlands, along with the Netherlands, Curaçao, and Sint Maarten. As such, they are autonomous from the Government of the Netherlands and do not receive regular financial contributions from the Netherlands. Due to fiscal problems, the government requested financial support from the Netherlands in 2015. This support was granted along the establishment of temporary independent financial supervision from the Kingdom. On the basis of the Landsverordening Aruba Tijdelijk financieel toezicht (LaFT), supervision is carried out by the Commissie Financieel Toezicht ('CFT') since 2015. The supervision focuses on the compliance with the fiscal rules included in the LaFT. The financial supervision was intended for three years (until 2018), but in 2018 it was extended for the period 2019-2021 on the basis of a protocol.

The role of the Netherlands in the financial governance of Aruba was elevated during the COVID-19 crisis. The Dutch government provided AWG 916 000 000 (EUR 442 000 000 at the exchange rate of disbursement) in liquidity support as zero interest loan. The liquidity support was provided with complementary measures for reform and supervision. Reforms were framed into "an autonomous country package" referred as Landspakket and the financial supervision aimed to establish a new, permanent legal framework for the CFT and the fiscal rules included in a new Rijkswet Aruba Financieel Toezicht (RAFT). However, the RAFT has not yet been adopted by the Aruban Parliament. Instead, the Protocol linked to the LaFT has been prolonged until 31 December 2023. Based on article 14 of this protocol, Aruba is required to realise a fiscal surplus of 1% of the GDP in the budget 2023. Also, Aruba should realise annually a reduction in the salary costs. In October 2023, the Aruban government needs to re-finance the liquidity support and is currently negotiating the conditions with the Dutch government. Aruba and the Netherlands also considered structural cooperation in reform and development under a new Kingdom Act COHO (Caribbean Organ for Reform and Development). The draft law was not endorsed and replaced by the Mutual Arrangement signed on 4 April 2023 between the Aruban and the Dutch government.

²¹ The latest Article IV report for Aruba dates from April 2021. The next IMF mission is scheduled for May 2023.

Developments in real economy

Aruba is one of the most tourism-dependent economies globally, with tourism direct and indirect contribution to GDP. This sector also accounts for about 80% of employment.²² Aruba was among the territories worst affected by the standstill in travel and collapse of related economic activities induced by the COVID-19 pandemic. International tourism arrivals dropped by 67% in 2020.²³ Voluntary social distancing and domestic containment measures compounded the impact on domestic activity. Tourism has strongly recovered in 2022 with a growth in total tourism expenditures of 45.2% compared to 2021. The growth in tourism has driven the estimates of real GDP up for 2022 with 9.6%. GDP developments in 2023 are expected to be affected by primarily two developments. First, growth in tourism is forecasted to continue in 2023 albeit at a slower pace. The Central Bank of Aruba (CBA) estimates 2023 growth in total tourism credits to 9.3% (pessimistic scenario) and 11.4% (in the optimistic scenario). Compared to pre-pandemic terms, tourists are spending more. As a consequence, it is expected that total tourism credits in 2023 will have fully recovered and are estimated to be 136.1% in 2019 terms. However, real GDP is negatively affected by lowered consumption and investment as a result of an estimated inflation of 5.5%. The inflation is partly imported related to the current global rise in food and fuel. Domestic fiscal policy has also an upward impact on inflation as a result of the increase in the sales tax (see section iii) on fiscal developments below). The combined effects of growth in tourism and lower domestic consumption is a forecasted contraction by 1.8% in 2023 (according to latest CBA figures).

Fiscal developments

The Budget Law 2023 was adopted by the Parliament of Aruba on 7 November 2022 well before the legal deadline of 15 December. The estimated fiscal deficit for 2023 is a surplus of EUR 32 000 000 (AWG 63 000 000). The surplus equals 1 % of GDP and is in compliance with the fiscal rules established by LaFT and the Protocol. Moreover, the medium-term budget prognoses surpluses for the period 2024 – 2027 larger than 1%.

The turnaround of the deficit in 2022 to a surplus in 2023 is primarily a result of increased revenues. The increased revenues follow the positive GDP developments and are also driven by policy measures adopted through the Revenue Plan 2023. The Government of Aruba has taken a set of tax policy measures. The measures aimed to shift the tax burden from direct to indirect taxes. Three measures are especially critical for the increased revenues:

- Increasing the turnover tax from 6% to 7%.²⁴
- Collection of the turnover tax at the border to increase compliance and broaden the tax base of the turnover tax.
- Increasing the tourist levy and sharing the proceeds with the Aruban Tourist Authority (ATA) in a 40/60% share.

In addition, the Government of Aruba has been cautious to increase expenditures. With regard to the largest expenditure item, salary costs, it applies a hiring freeze and it is committed to the target to achieve a reduction of the salary expenses year on year by natural turnover ('natuurlijk verloop'). The increase of salary expenditures in 2023 is a result of the termination of the mandatory salary cut of 12.5% that was imposed on the administration to counter the negative fiscal impact of covid. On a multi-annual basis, the Government of Aruba estimates a reduction of real salary expenditures in line with the fiscal rules included in the LAft.

The fiscal surplus reflected in the Budget 2023 and the continuation of surpluses in the medium term estimates has a positive impact on the debt sustainability projections of the OCT. The debt ratio had increased to a maximum level of 111.3 % of GDP in 2020. Using the improved economic situation, the government of Aruba reduced the debt burden to 97 % in 2022.

The medium-term development of the debt burden is conditional on a number of exogenous factors. Most importantly is the outcome of the negotiation with the Dutch Government on the re-financing of the liquidity support of EUR 442 000 000. The original repayment date of the liquidity loans was on 10 April 2022. However, the Kingdom Council of Ministers acknowledged in March 2022 that the islands Aruba, Curacao and St Maarten have not yet recovered sufficiently to be able to do so and the islands were given an additional 18 months. Repayment is now due in October 2023. Decisions on the interest rate and the repayment term are critical for the speed by which the Government of Aruba can reduce the debt burden to sustainable levels. The fiscal rules agreed

²² <https://country.eiu.com/article.aspx?articleid=1411635724>

²³ IMF Country Report on the Kingdom of the Netherlands - Aruba, No. 21/81, April 2021

²⁴ The increase of the turnover tax was included in the Aruban Revenue Strategy 2023 to compensate for the postponement of the VAT tax. The introduction of VAT was scheduled for 2023 as a measure to enhance the share of indirect taxes. For various reasons, the authorities decided in 2022 to postpone the VAT introduction.

in the framework of the LAft are to reduce the debt to GDP ratio to 70% in 2031 and to 50% in 2040. In case the improved fiscal balance reflected by the Budget 2023 is sustained in forthcoming years and surpluses are used for debt reduction these targets for the debt to GDP ratio are within reach and can possibly be achieved earlier.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.3.3. Public Financial Management (PFM)

Aruba has not performed a formal diagnostic assessment using the Public Expenditure Financial Accountability (PEFA) Framework. However, as part of the cooperation with the Dutch Government, Aruba has set up reform plans in financial management and domestic revenue mobilisation as part of the Landspakket.

The approach of this package is that the five key PFM areas were selected for reform: financial control, subsidy expenditures, budget preparation, fiscal policy and public procurement. For each of the areas, the reform process commenced with the preparation of a tailored diagnostic study. In the domain of Domestic Revenue Mobilization (DRM), a diagnostic assessment in the subdomain of tax policy was conducted in 2018 by the IMF. The report was at the basis of the tax reforms adopted in the context of the adoption of the budget 2023 (Belastingplan 2023). Only in the domain of tax administration, a diagnostic assessment is lacking. Notwithstanding, the lack of a formal diagnostic report, the Landspakket identifies four priority actions to strengthen the tax administration.

Implementation of the reforms is closely monitored through quarterly progress reports, which are prepared by mixed working groups. Progress reports are signed off by the State Secretary of the Ministry of the Interior and Kingdom relations of the Netherlands and the Minister President of Aruba and are on-line available. In the Dutch autonomous countries, the responsibility for coordinating the implementation of the reforms lies with the Ministers of General Affairs and the implementing organisations falling under them. In the Netherlands, coordination lies with the Ministry of the Interior and Kingdom Relations and is executed by the Tijdelijke werkorganisatie (Temporary Work organisation, TWO). A number of significant reforms have already been implemented.

The main weakness remains the backlog in presenting timely the Annual Accounts.

In conclusion, the public financial management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

2.3.4. Transparency and Oversight of the Budget

The entry point is met as the budget proposal and the enacted budget are publicly available.

The 2023 draft budget was submitted to Parliament by the end of August 2022. Due to the deliberations and updated economic data, a revised draft budget was submitted early November and part of the budget adopted by Parliament on 11 November 2022. The changes compared to the draft budget are laid down in a Note of Amendment ('Nota van Wijziging'). The Note of Amendment was separately published on the website of the Parliament.²⁵

The following weaknesses identified which need to be improved are:

- The Government of Aruba has built up a backlog in the preparation of annual accounts since the start of the COVID-19 pandemic. As a consequence, there is no audit. The last audited annual accounts date from the fiscal year 2018.
- Public access to the published budget and budgetary documents is cumbersome.²⁶

²⁵ <https://statenvanaruba.ibabs.org/Agenda/Document/8e1a858a-9335-42eb-a188-7fe6b2f6a3c0?documentId=b68c70c4-8456-41a6-8ce5-555935f0dd16&agendaItemId=9caa7183-f74a-4b7f-86f6-944478c70646>

²⁶ The government publishes its documents on the following website: www.overheid.aw. Budget execution reports are available but not the budget itself. The budget is available on the Parliament's website, however the access to various budgetary documents can be facilitated.

- The independence of the Supreme Audit Institution (Rekenkamer van Aruba) is weak as it is treated alike executive government departments in terms of its financial and operational affairs.

Except for the independence of the Supreme Audit Institution (Rekenkamer van Aruba), the other weaknesses are targeted by the ongoing reforms that are part of the Aruba package-Landspakket.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this Action is to enhance Aruba's economic resilience by digital transformation of public services' delivery.

The Specific Objective (Outcome) of this Action is:

1. To improve the quality and effectiveness of Aruba's government e-services.

The induced outputs to be delivered by this Action contributing to SO are:

- 1.1 Integrated eGov system put in place and made operational.
- 1.2 Improved e-Gov regulatory and institutional framework as well as public finance management.
- 1.3 Improved inclusive and gender-sensitive communication on eGov services.

The direct output to be delivered by this Action contributing to the Specific objective (Outcome) are:

- 1.4 Enhanced policy dialogue and coordination on eGov, enhanced monitoring and additional fiscal space created.

3.2. Indicative Activities

All activities need to be aligned with the European Commission's key e-gov policies and regulations.

Activities related to induced Output 1.1 "An integrated eGov system is put in place and made operational" are:

- 1.1.1 Software development.
- 1.1.2 Investment in necessary hardware.
- 1.1.3 Alignment of business processes of applicable government departments.
- 1.1.4 Capacity development of cybersecurity staff.
- 1.1.5 Establishment of an administrative office.
- 1.1.6 Impact assessment on environmental consequences of eGov is carried out.
- 1.1.7 Implementation of follow up measures to reduce the environmental impact and increase disaster risk management.

Activities related to the induced Output 1.2 "Improved eGov regulatory and institutional framework and public finance management" are:

- 1.2.1 A gap analysis of the existing legal framework is carried out.
- 1.2.2 Drafting of new legislation.
- 1.2.3 Government decision to set up the eGov coordination structure is adopted.
- 1.2.4 Annual financial accounts is prepared.
- 1.2.5 Regular meetings of the steering committee take place.

Activities related to the induced Output 1.3 "Improved inclusive and gender-sensitive communication on eGov services" are:

- 1.3.1 Research on awareness of target groups is carried out.
- 1.3.2 Inclusive and gender sensitive awareness campaign is designed and rolled out.
- 1.3.3 A training needs assessment (including the gender perspective) is carried out.
- 1.3.4 An educational or training offer is developed and trainers are prepared.
- 1.3.5 Trainings and courses are rolled out.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the SEA (Strategic Environmental Assessment) screening:

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening:

The EIA (Environment Impact Assessment) screening classified the Action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening:

The Climate Risk Assessment (CRA) screening concluded that this Action is no or low risk (no need for further assessment)

In the context of promoting environmental and climate ambitions, e-government can play a crucial role in optimising the waste collection, recycling, and disposal processes and reducing energy consumption. For example, digital platforms could be used to track waste flows, monitor collection schedules, coordinate recycling efforts, and vigorously monitor energy consumption. People can report issues such as illegal dumping or overflowing bins through online platforms, leading to faster response times and improved waste management. Implementing the government iCloud centre and services could significantly reduce energy consumption compared to the separate IT infrastructures for different departments/services.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that implementing the E-government Roadmap will promote equal opportunities for youth and women in the labour market.

Digitalisation is also a key enabler for women's empowerment and gender equality. It is crucial to address the differentiated impacts of technology on women and men, to build capacities and partnerships and to dismantle gender stereotypes and other barriers so that women can benefit equally from the opportunities offered by digitalisation. Gender equality encompasses equality in access to technologies, skills and participation to the design of digital tools. Aruba's National Gender Policy addresses inequality in education related to Science, technology, engineering, and mathematics (STEM)-related fields necessary for e-government (building on the achievements of the 11th EDF programme on higher education which provided equal opportunities), women participation in vocational education and labour compensation. The Action will contribute to mainstream gender perspective in all activities, and by the consideration of the principle of inclusiveness as key element in sustainable economic growth and decision-making. Particular attention will be given to the empowerment of women, for example in ensuring equal participation in trainings and capacity building activities and in creating networks and platforms for women's empowerment. Moreover, the Government will promote an increased share of women within their staff and their managerial teams. To monitor the impact on gender equality, the eGov policy implementation data will be disaggregated by sex and other categories.

The Action will also be informed by the EU Gender Action Plan 2021-2025 (GAP III)²⁷ and its thematic area "Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation".

Human Rights

Human rights are respected in the Action as the digital portal will promote diversity through the use of the various languages used in Aruba. Digital technologies provide new means to advocate for and defend human rights, however, they can equally be used to limit and suppress them. Effective safeguards such as oversight, transparency, accountability and multi-stakeholder engagement are instrumental in the digital transformation to protect the right of privacy and other human rights and will be part of the Action. Its implementation will therefore be informed by the Human Rights Based Approach (HRBA) principles: respect for all rights, non-discrimination, transparency, participation and accountability.

²⁷ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2184

The GAP III is, however, not directly applicable to OCTs

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the Aruba eGov implementation is reducing barriers for a special group of people to be employed, to access services and information/data, which is particularly important for such groups.

People in Aruba regardless of their social or economic background or physical (dis)abilities should be able to digitally access core government services, albeit with support. Core digital services should be designed based on the principle of openness and inclusiveness and should create equal opportunities for all. People with disabilities and the elderly population should be able to access and experience the same quality of service as other people.

The Action will also be in line with the EU Strategy for the Rights of Persons with Disabilities 2021-2030, and the EU Guidance Note Disability inclusion in EU external action.

It is important to stress that particular attention will be given on the issues of accessibility and usability in the implementation of the Action. To address these imperatives, the government of Aruba has to take proactive steps, notably by establishing dedicated e-government access points “e-kiosks”, located in easily accessible public areas to facilitate the access to e-government services. The training and the expertise/qualification of the staff is instrumental to provide assistance to visitors in navigating the complexities of e-government information and services. A robust monitoring system of these eGov points also needs to be in place to guarantee that they remain functional and accessible, meeting the diverse needs of the population.

It is also essential to maintain non-digital options to ensure inclusivity and accessibility for all, notably those with limited digital access or proficiency. A balanced approach offering digital and non-digital channels (including but not limited to in-person services, telephone services, mail services, public meetings and hearings, printed materials, public libraries) has to be developed to best serve the population's diverse needs.

Reduction of inequalities

The E-Gov Roadmap addresses training to reduce digital inequalities. Web users' educational and material resources are crucial enablers for all people to use e-government services and to benefit from them. Without adequate training in the use of digital tools, not everyone will be able to take advantage of the opportunities that e-government has to offer.

Democracy

The Statute of The Kingdom of the Netherlands secures democracy and good governance. Aruba eGov implementation will significantly increase the level of democracy and good governance through a transparent and reliable mechanism of monitoring and evaluating the government actions, services, and information/data.

Conflict sensitivity, peace and resilience

Not applicable

Disaster Risk Reduction

E-government has the potential to significantly enhance disaster risk reduction efforts by improving communication, information sharing, and coordination between government agencies, citizens, and businesses in disaster response and management. E-government should be a leading source of early warning and provide communities with trustful timely information and tools to prepare for potential disasters. It should include developing mobile applications and online resources for disaster preparedness, such as evacuation maps and instructions. The regional programme RESEMBID for Caribbean OCTs²⁸ supported the development of a Disaster Risk Financing Diagnostic Review for Aruba, including recommendations towards developing a national Disaster Risk Financing strategy.

Other considerations if relevant

In addition to all activities foreseen (section 3.2), specific EU visibility activities would be further determined and implemented as part of the Action.²⁹

While e-government can bring many benefits, such as increased efficiency and transparency, several challenges must be addressed. Some of these challenges include:

1. Digital divide: Not all people have equal access to technology, which can create a digital divide between those who can access e-government services and those who cannot.
2. Security and privacy: E-government systems must be secure and protect citizen data from cyber threats.

²⁸ <https://resembid.org/>

²⁹ Complying with the instructions given in the [2022 guidance document Communicating and raising EU visibility: Guidance for external actions](#) (or any successor document).

3. Pro-active public services along life events: E-government offers a pivotal advantage over traditional governance by fostering proactive communication across various sectors: government to government (G2G), government to business (G2B), and government to citizens (G2C). It also takes into account critical events and situations of all participants. Therefore, the digitalisation transformation has to embrace visionary and systematic thinking to provide solid grounds to build on later.
4. Lack of awareness: Many people may not know the e-government services available or how to use them.
5. Resistance to change: Some people may resist using e-government services due to a preference for traditional methods or lacking trust in technology.
6. E-waste must be appropriately disposed of to prevent environmental damages. The Action addresses the issue (in SO1 and induced outputs to adopt e-waste recommendations).

3.4. Risks and Lessons Learnt

The 2023 RMF for Ariba indicates an overall low risk.

Category	Risk	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
1 The external environment	Risk 1: Decline in tourism activities, especially due to external factors, would hurt the Aruban economy.	Medium	High	The tourism sector in Aruba was strongly affected by the COVID-19 measures. The GOA stimulates private investments within the tourist sector to diversify the traditional diving offer with other eco-tourism activities. The diversification of the economy is also high at the agenda.
2 Planning, processes and systems	Risk 2: The crosscutting policies like eGov could fail if the proper management structure, monitoring procedures, and risk management processes are not in place.	Medium	Medium	The full and capable Aruban eGov steering team should be in place before it gets underway. The team should focus on establishing a standard governance, oversight, and support process to facilitate programme planning, development, execution risk management, anticipate unforeseen events and build in the necessary contingency plans.
	Risk 3: Insufficient or inadequate gender mainstreaming could reinforce gender inequalities in the sector and hinder the efficiency and sustainability of the Action	Medium	High	Knowledge and tools of gender mainstreaming are available. Gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. Gender mainstreaming is applied in all phases of the programme cycle.
3 People and the organisation	Risk 4: The Aruban eGov steering team may have challenges in project formulation and execution.	Medium	Medium	Project management governance's roles and obligations are stated clearly. Members of eGov steering team have sufficient representation, competence, authority, and assets to permit them to make appropriate decisions. eGov steering team has an authorized plan containing authorization factors at which the business case, together with

				cost, advantages, and chance, is reviewed
				Clear guidance and capacity building and a willingness to work with a third-party specialist. A third party may be called in during later implementation if the team is not equipped for the scope of the activities and analysis needed to develop a revised Roadmap for reigning in costs and schedule slippages during implementation. The Aruban eGov steering team considers cooperation with ICTU, an IT specialized agency of the Dutch government experienced in e-governance change processes.
	Risk 5: Absence of necessary skills and expertise to support the eGov policy.	Medium	Medium	Active educational and awareness plan is designed, approved and effectively monitored.
4 Legality and regulatory aspects	Risk 6: The Aruba E-government implementation may have challenges in the legal and regulatory area.	Medium	Medium	The powerful inter-department eGov steering team and GOA top management support are required for inevitable new legal issues and regulations during the E-government implementation. This steering and inter-disciplinary team also needs to carefully take into account the specific context/needs of the island.
5 Communication and information	Risk 7: Language proficiency, native language content	Low	Low	Dutch and the local language of Papiamentu are the official languages of Aruba. The modern browsers (e.g., Google Chrome) have embedded translations of Dutch and Papiamentu. All e-government applications should be bi-lingual, with the option to pick up one of the official languages to interact with the e-government system.
	Risk 8: Lack of EU visibility	High	High	The EU Delegation in Guyana will pay a particular attention on the EU visibility during the implementation of the programme.

Lessons Learnt:

The EU conducted a sector budget support programme with Aruba under the 10th EDF for the period 2012-2016. The programme supported the implementation of the National Education Plan 2007-2017.

During the implementation of the 10th EDF budget support programme, amendment and prolongation of the deadlines were necessary as the authorities faced delay in meeting the targets. The public finances declined between 2009-2012 because of an expansionary fiscal policy combined with the deterioration of the economic activity. Aruba had therefore a problem in fulfilling the eligibility criteria to adhere to a stable and oriented macro-fiscal policy. Currently, the Government of Aruba meets this eligibility criteria. This is supported by the supervision of the Kingdom of the Netherlands through the Commission Financial Supervision (CfT) and the implementation of the Aruba Landspakket. Both elements are instrumental to mitigate the risk that one of the eligibility criteria will not be

met during programme implementation. Technical assistance on Public Financial Management (PFM) will also be part of the Action to further support Aruba in its efforts.

Based on the past experience under the 10th EDF, the Aruban authorities have also gained a good understanding of the EU budget support modality. The capacities were further strengthened during the formulation phase of this Action, as budget support training was provided prior to the start of the programme.

Close cooperation with the Netherlands is needed to ensure a successful implementation of EU programmes. This will be done for this Action since the Netherlands are also supporting Aruba on e-government (notably through the provisions foreseen in the Landspakket).

Strong attention on EU visibility and communication of the impact of the Action by Aruba will have to be ensured, as it is also a lesson-learnt from past cooperation. It is foreseen to further enhance the understanding of the EU and the promotion of the EU-OCT partnership (please refer to the section 6).

3.5. Intervention Logic

The objective this Action is to focus on the digital transformation of government services in Aruba. Digital transformation is expected to increase the efficiency and effectiveness of the public service delivery but it is also expected to act as a catalysing factor in achieving economic resilience. The E-government Roadmap translates the ambition into a phased implementation plan. The following key results are envisaged by the end of the growth phase in 2027:

- A secure interoperability framework that connects 35% of core services;
- A Digital ID is introduced that provides citizens and business access to various online government services;
- Simplify (where needed) and digitise up to 50% of core services;
- Introduce digital payments for 80% of core services.

The underlying intervention logic for this Action is that by providing fiscal space and having regular policy dialogue with the Government of Aruba on eGov policy matters, the Government of Aruba will be empowered and incentivised to implement the E-Government Roadmap in line with the stated performance targets and in line with the EU priorities of the Green Deal (notably on energy consumption and e-waste) and of the promotion of gender equality.

This Roadmap addresses four aspects of an efficient and effective system of digital service delivery.

First, for the technical IT capacity, it is crucial that different government entities communicate with citizens/business using the same parameters and that the systems of different department, which are currently separate, are interlinked through an 'inter-operability framework.' Another crucial aspect of e-governance is that citizens/businesses are recognized by the system in a unique and secure way using a digital ID. Using the experience of other countries or territories, the system configuration should be responsive to the environmental impact and ensure minimum levels of digital waste.

Second, for an e-governance system to work in practice, it must be embedded in a legal framework that permits data sharing, secures data privacy when required and allows formal exchange by having an e-signature legally recognised.

Third, to ensure that the system is inclusive and that it allows all citizens/businesses to benefit from it, there needs to be awareness of the system and a certain part of the population may need supported by training and education.

Fourth, to ensure environmental sustainability, an assessment of environmental consequences of the E-government Roadmap will be conducted. The analysis should also give recommendations for measures to secure a renewable energy supply and to move to renewable energy sources, measures to reduce the amount of e-waste by a circular business model as well as measures to improve disaster risk management with the use of digital technologies.

The Government of Aruba needs to invest predominantly in technical and legal expertise. For this expertise, the Aruban authorities is considering making use of ICTU, the IT agency operating for the Netherlands' public sector. This budget support programme will provide Aruba with additional fiscal space to make these investments. Through targeted policy dialogue, the progress of the implementation of the e-governance is monitored. A limited number of performance indicators that are linked to the e-gov strategy, will give additional incentive to achieve the implementation of the e-gov strategy in line with the ambitions.

The EU will engage in a strong policy dialogue with the stakeholders as part of this budget support programme. The policy dialogue will be an essential tool to exchange information on the progress of the implementation and to strengthen coordination, including with the Netherlands. Regular exchanges will allow to anticipate and foster a common understanding of difficulties in order to adjust expectations accordingly.

Finally, further synergies would be sought with on-going EU actions such as NDICI-Global Europe programmes (thematic programmes with their components on digital and geographic programmes in the Caribbean region among

which the EU-LAC Digital Alliance³⁰ and the Latin America and Caribbean branch of the D4D Hub)³¹ and InvestEU. Besides, the ‘Interreg Caribbean Cooperation Programme for 2021-2027’³² will fund actions between the Outermost Regions and their neighbours in the Caribbean region, notably Overseas Countries and Territories, on digital. Furthermore, the DOAG aims to enhance the cooperation between OCTs and their neighbours (African Caribbean Pacific states and third countries as well as Outermost Regions and regional organisations), an envelope of EUR 15 000 000 for intra-regional cooperation for all 13 OCTs is therefore dedicated for this purpose. This would steer the reflection on how the cooperation between OCTs and Outermost Regions in the Caribbean region could be reinforced.

Complementary to this Action, where appropriate, the TAIEX facility could also be envisaged to promote expertise in the digital sector.

³⁰ https://international-partnerships.ec.europa.eu/policies/global-gateway/eu-latin-america-and-caribbean-digital-alliance_en

³¹ <https://d4dhub.eu/lac>

³² <https://www.interreg-caraibes.com/program-interreg-caribbean2021-2027>

3.6. Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Caveat: the indicators used in the LFM refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to country/OCT policy's achievements. The list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country/OCT, although some indicators may be used for both purposes and will be marked accordingly.

Results	Results chain	Indicators	Baselines (2023)	Targets by the end of the budget support contract (2027)	Sources of data (1 per indicator)
Indicative Impact of the policy	Sustainable and resilient economic development	1 Share of the economy that is not directly or indirectly dependent on tourism	1. 5 %	1. 8 %	1. Aruba National Statistics IMF reports
Expected Outcomes of the policy	1. SO - To improve the quality and effectiveness of Aruba's government e-services	1.1. Number of eGov system users (citizens and businesses) - daily/monthly/particular e-service – statistic	1.1. To be determined by 2024 ³³	1.1.To be determined after the baseline is established by the end of 2023.	1.1. Annual report of DVI
		1.2 Percentage of Aruban people (disaggregated by sex and age) very satisfied/satisfied with the quality of eGov services.	1.2. To be determined by 2024 ³⁴	1.2. 70 %	1.2. National digital literacy survey
		1.3 Share of Aruban population that is digital literate	1.3. To be determined by 2024 ³⁵	1.3. To be determined by 2024.	1.3. National digital literacy survey
Induced outputs	1.1 Integrated eGov system put in place and made operational	1.1.1. Number of existing e-services available to citizens and private businesses	1.1.1. 30	1.1.1. 100	1.1.1 GOA (Government of Aruba) decree
		1.1.2. Number of connected departments that are connected via the new interoperability framework	1.1.2. No interoperability framework connecting government departments exists	1.1.2. A secured interoperability framework is built, launched, and connects 3 core government departments	1.1.2. Report and live demo
		1.1.3. Percentage of citizens having a national digital ID (disaggregated by sex, age and whenever possible, disability)	1.1.3. 0%	1.1.3. 20 %	1.1.3. Report
		1.1.4. Status of a cybersecurity policy framework	1.1.4. No approved national cybersecurity policy by the government of Aruba	1.1.4. A policy is adopted and a data protection unit is established	1.1.4. GOA decree
		1.1.5. Percentage of recommendations resulting from eGov environmental impact issues, (including energy consumption and e-waste management) adopted	1.1.5. No clear insight regarding e-government impact on the environment	1.1.5. 90 % of recommendations from environmental impact studies are adopted	1.1.5. Report, decree
	1.2 Improved e-Gov regulatory and institutional framework and public financial management	1.2.1 Legal recognition of digital signature	1.2.1 Digital signature is not legally recognized	1.2.1 Digital signature will have legal recognition	1.2.1. GOA decree
		1.2.2 Percentage of identified legal gaps addressed	1.2.2. No clear insight regarding legal gaps	1.2.2. 50% of identified legal gaps are addressed	1.2.2 Legislative changes adopted by Parliament

			permitting electronic communications	by legislative proposals submitted to Parliament	
		1.2.3. Number of private businesses that are receiving input or support through the centre for innovation	1.2.3. The center is not established	1.2.3. To be determined by 2024	1.2.3. Annual report of the Center for Innovation
		1.2.4 Preparation of annual financial accounts	1.2.4 Last financial accounts were prepared for the year 2018	1.2.4 Annual accounts of 2025 prepared and submitted for audit to the Rekenkamer	1.2.4. Department of Finance Publication of the financial accounts is done after audit by the Rekenkamer van Aruba
	1.3 Improved inclusive and gender-sensitive communication on eGov services	1.3.1 Number of people (disaggregated by sex and if possible, by age) who participated in the training and education activities	1.3.1 0	1.3.1. To be determined by 2024	1.3.1. DVI Annual Reports
		1.3.2 Number of people who have consulted and/or download training contents, materials or guidelines related to the use of eGov services (disaggregated by sex and if possible, by age).	1.3.2 0	1.3.2 To be determined by 2024	1.3.2. Download statistics reported in the Annual Report of DVI
		1.3.3 Number of policy advisors who have completed the digital leadership programme (disaggregated by sex)	1.3.3 0	1.3.3 100	1.3.3. Digital leadership survey launched and conducted (report)
		1.3.4. Number of people reached with the EU visibility materials as per 2022 guidance document and knowledgeable on the inclusive and gender-sensitive eGov policy. ³⁶	1.3.4. 2023: 0	1.3.4. To be determine by 2025	1.3.4. Baseline and final surveys Disbursement files
	Direct outputs	1.4 Capacity to implement E-Gov policy and Roadmap is enhanced	1.4.1 Percentage of recommendations resulting from the policy dialogues implemented	1.4.1. At least 75 %	1.4.1. Disbursement files

³³ DVI is setting up the monitoring system for the E Gov strategy in 2023.

³⁴ DVI will launch a digital literacy survey in 2023. Results from the survey will determine the baseline in 2024.

³⁵ *Ibid.*

³⁶ https://international-partnerships.ec.europa.eu/system/files/2023-04/communicating-and-raising-eu-visibility-guidance-for-external-actions-july-2022_en_0.pdf

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with the OCT Aruba.

4.2. Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation of the Budget Support Component

4.3.1. Rationale for the Amounts Allocated to Budget Support

The amount allocated for the budget support component is EUR 14 000 000 and for complementary support is EUR 200 000.

The latest cost estimate of the implementation of the E-government Roadmap³⁷ is EUR 15 400 000 whereas the total allocation for capital investments in the Aruban multi-annual budgetary framework is EUR 10 800 000 for each fiscal year from 2023. This indicates that the increase in fiscal space provided by the budget support is both necessary and sufficient.

The amount of complementary support is based on the need for support in the implementation of the budget support programme, such as the Public Financial Management (PFM) and for exploring how InvestEU could complement this programme. Specific EU visibility activities could also be funded by this complementary support.

This Action will complement Dutch structural reforms (Landspakket), therefore actively implemented in the spirit of a Team Europe approach. The exact amount of the Dutch financial support on e-government is not established yet and would be provided under the format of technical assistance.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change.

	2024	2025	2026	2027	Total in MEUR
Fixed tranche in MEUR	2.2	3.0	3.0	3.0	11.2
Variable tranche in MEUR			1.4	1.4	2.8
Total in MEUR	2.2	3.0	4.4	4.4	14.0

4.3.2. Criteria for Disbursement of Budget Support

a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the E-gov Roadmap and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.

³⁷ Referring to the investment costs for the total implementation excluding recurrent costs of the staff and operating costs of DVI staff.

- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities:

- Indicator 1 focuses on the creation of the inter-operability framework
- Indicator 2 focuses on the creation of a digital ID
- Indicator 3 focuses on the creation of a framework to make electronic transactions and e-signature
- Indicator 4 is linked to the domain of public financial management and addresses the timely preparation of annual financial accounts.

The relevant indicators have been marked in bold text in the Logical Framework in Section 3.6.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country/OCT and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country/OCT and approved in writing by the Commission.

d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

4.3.3. Budget Support Details

Budget support is provided as direct untargeted budget support to the OCT's treasury. The crediting of the euro transfers disbursed into Aruban Florin (AWG) will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

4.4. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.³⁸

4.4.1. Direct Management (Procurement)

One or more short-term assignments providing technical assistance to the Government of Aruba will be arranged as to provide complementary support. This technical assistance will be implemented under direct management by the EU Delegation in Guyana in close cooperation with the Government of Aruba.

This technical assistance will support the implementation of selected PFM reforms and assess the potential use of InvestEU. Specific EU visibility activities could also be funded by this technical assistance.

³⁸ [EU Sanctions Map](#). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

The technical assistance, which could also be completed from another decision if needed and justified, will also support Aruba in the implementation of its budget support programme.

4.4.2. Changes from direct to indirect management mode due to exceptional circumstances

In case that the general eligibility criteria of budget support are not met anymore or following the agreement of the Commission to a duly justified request from the beneficiary in the event of important challenges encountered in the implementation, the Action could be transformed to indirect management mode with a pillar-assessed entity in last resort.

In such cases this Action may be implemented in indirect management; the envisaged entity will be selected using the following criteria: 1) A strong field presence in the beneficiary OCT and the Caribbean region and 2) A long-term experience in the field of digitalisation/e-government and 3) A long-term experience with EU policies and/or in the implementation of EU programmes.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria as above. If the entity is replaced, the decision to replace it needs to be duly justified.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this Action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation, which applies to OCTs according to the DOAG).

4.6. Indicative Budget

Indicative Budget components	EU contribution
Budget support - cf. section 4.3	EUR 14 000 000
Procurement – total envelope under section 4.4.1	EUR 200 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	Will be covered by another Decision
Strategic communication and Public diplomacy – cf section 6	Will be covered by another Decision
Totals	EUR 14 200 000

4.7. Organisational Set-up and Responsibilities

Within the Aruban administration, the leading entity for the implementation of the E-government Roadmap is the Department for Innovation (DVI) which is part of the Ministry for General Affairs headed by the Prime Minister.

The leading entity for the implementation of the budget support and the communication with the EU Delegation in Guyana is the Department for Economic Affairs, Trade and Industry (DEACI).

For the purposes of the budget support, the Government will set up a Steering Committee by Ministerial Decree. The Steering Committee will be headed by the Prime Minister and contain representatives of the key departments involved in the management of e-government including at a minimum the DVI, DEACI and the Tax Administration. In addition, the Department of Finance will be part of the Steering Committee to report

on the macro-fiscal developments, the progress in public finance management reforms and the transparency of budgetary documents. The EU Delegation may be invited to participate in the Steering Committee.

Close policy dialogues between the EU and the Government of Aruba on budget support and monitoring of the Action will be ensured in order to react if problems occur.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this Action and ensuring effective coordination.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes), as measured by corresponding indicators, using as reference the partner's strategy, policy or reform action plan list. Progress reports must be published and available to the public. Efforts will be made to obtain sex-disaggregated data from users or beneficiaries of this Action to feed the assessment of indicators.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

- Monitoring of the progress in the implementation of the E-government Roadmap will be done annually through the annual report of the Department for Innovation as part of the annual report of the Ministry of General Affairs. There are no statistical and monitoring systems to monitor progress yet. However, data on the use of e-government systems will be compiled using sources such as Google Analytics. Quality and client satisfaction data will be collected by means of tailored surveys under the population and business community.
- Monitoring of the eligibility criteria on a stability-oriented fiscal policy will be done by the Central Bank of Aruba (bi-annual reports), the IMF (once every two years) and the Commission Financieel Toezicht Aruba (reports on the budget documents including the quarterly budget execution reports).
- Monitoring of the eligibility criteria on progress in the PFM reform plans will be done in the framework of the monitoring of the Landspakket as agreed with the Dutch Government. Activity plans and progress reports are prepared quarterly publicly available at <https://www.two-acs.com/>.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows.

1. Continue to use Central Bureau of Statistic data
2. Further strengthening of the national statistical system through implementation of the Landspakket with the Netherlands
3. Apply new developed eGov-specific data and reports as part of the policy's monitoring and evaluation (M&E) system.

All monitoring and reporting need to assess how the Action is considering the principle of gender equality and human rights-based approach. It is sought to have indicators disaggregated at least by sex.

5.2. Evaluation

Having regard to the nature of the Action, a final or an ex-post evaluation may be carried out for this Action or its components through a joint mission contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the commissioning schedule (including construction, testing, adjustments) for power generation infrastructure in the Caribbean may be delayed by unforeseen weather events (such as hurricanes).

The evaluation of this Action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country/OCT, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

As appropriate, all evaluations should assess to what extent the Action is taking into account gender equality, women's empowerment and disability inclusion. Such expertise would be sought in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

The financing of the audit may be covered by another measure constituting a Financing Decision.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 document ‘Communicating and Raising EU Visibility: Guidance for External Actions’³⁹, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries/OCTs, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned⁴⁰. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

³⁹https://international-partnerships.ec.europa.eu/knowledge-hub/communicating-and-raising-eu-visibility-guidance-external-actions_en

⁴⁰In the specific case of this budget support programme on digitalisation/e-government, EU visibility actions related to reforms and achieved results have been included.