

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	VENEZUELA/CAN - Andean Group
▪ TC Name:	Transparency and Integrity for the Economic Recovery of Venezuela
▪ TC Number:	VE-T1094
▪ Team Leader/Members:	Lagarda Cuevas, Guillermo (IFD/ICS) Team Leader; Mosqueira Medina, Edgardo (IFD/ICS) Alternate Team Leader; Alvarez Bollea, Maria Cecilia (IFD/ICS); Vieyra, Juan Cruz (IFD/ICS); El Fakih, Nizar (CAN/CAN); Aguilar Blandon, Maria Alejandra (IFD/ICS); Juan Mejia (CAN/CAN); Abuelafia, Emmanuel (CAN/CAN); Vila Saint-Etienne, Sara (LEG/SGO); Naranjo Bautista, Sandra (IFD/ICS)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	19 Apr 2022
▪ Beneficiary:	Venezuela
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$300,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/ICS - Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	IFD/ICS - Innovation in Citizen Services Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Economic integration; Institutional capacity and rule of law; Environmental sustainability

II. Objective and Justification

- 2.1 The Technical Cooperation aims to support and deepen the analysis in key topics involving transparency, integrity, and institutional capacities of the Venezuelan public administration.
- 2.2 The objectives of this TC include: First, under the umbrella of transparency and integrity: to carry out a series of studies, with special focus on the analysis of institutional and regulatory gaps compared to international standards of transparency and integrity, and to prepare policy reform recommendations accordingly. The TC will place efforts to deepen the gaps in public and financial integrity, as well as integrity of the extractive sector and state-owned enterprises. Also, The TC will especially consider the so-called Omnibus Law and other similar regulations. Second, under the institutional capacities of the public administration, this TC will support the analysis of the institutional capacity of the Venezuelan public administration. The analysis will be aimed to identify short-term measures the Venezuela Government could implement to recover and improve the institutional capacities required for implementing government priorities, providing services to citizens, setting basic conditions of governance, and building trust in government and social cohesion.

III. Description of Activities and Outputs

- 3.1 **Component 1. Support to strengthening transparency and integrity policies and regulations (US\$235,000).** Specifically, will include: (i) gap analysis between financial

integrity international standards (i.e FATF) and the current status in Venezuela; and (ii) comprehensive analysis regarding transparency and integrity standards of state-owned enterprises and other extractives.

- 3.2 **Component 2. Support the analysis of the institutional capacity of the public administration (PA).** Specifically, will include: (i) a diagnostic of the PA to assess its current structure, roles, and responsibilities to provide recommendations on how to strengthen institutional capacity through the reorganization of the executive branch and identifying tools to achieve the country's priorities; and (ii) a diagnostic of the civil service for the central government to identify gaps and recommendations in human resources management.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Total Funding
Support to strengthening transparency and integrity policies and regulations	US\$235,000.00	US\$235,000.00
Support the analysis of the institutional capacity of the public administration (PA)	US\$65,000.00	US\$65,000.00
Total	US\$300,000.00	US\$300,000.00

V. Executing Agency and Execution Structure

- 5.1 This TC will be executed by the Bank through the Innovation in Citizen Services Division (IFD/ICS) at the request of the Governor of Venezuela to the Inter-American Development Bank.
- 5.2 Currently, neither the country nor the beneficiary entities have the technical, operational, and institutional capacity for proper execution of this TC's components, so the Bank's intervention is crucial for achieving the desired objectives. The IFD/ICS team will be responsible for the administration, planning, control, and supervision of the assigned financial resources, as well as all those activities related to the hiring of firms and consultants and the adequate organization, supervision and evaluation of the products contemplated within the CT. In addition, execution by the Bank in this topic has proved to enhance information sharing among beneficiaries, allowing an efficient exchange of best practices by countries engaged in comparable reform processes.

VI. Project Risks and Issues

- 6.1 No significant risks are expected. The technical capacity of the counterparts in these topics might slow down the implementation of components. In order to mitigate this risk, assistance will be provided to facilitate drafting Terms of Reference and help them throughout the procurement process from start to implementation.

VII. Environmental and Social Classification

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