

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

COLOMBIA

**CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS FOR THE
DIGITAL TRANSFORMATION OF JUSTICE IN COLOMBIA**

(CO-O0007)

**PROGRAM FOR THE DIGITAL TRANSFORMATION OF JUSTICE IN COLOMBIA
(FIRST INDIVIDUAL OPERATION)**

(CO-L1256)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Diego Arisi, Project Team Leader; Miguel Porrúa, Alternate Project Team Leader; Nathalie Alvarado, Aitor Cubo, Karelía Villa, José Luis Hernández, Sonia Rojas (IFD/ICS); Javier Jiménez and María Greco (LEG/SGO); Eugenio Hillman and Patricio Crausaz (FMP/CCO); Gerardo Ramírez (CAN/CCO); Vanesa Montoya (ICS/CCO); Gastón Pierri (SPD/SDV); Elizabeth Arciniegas, Diego Pérez (Consultants).

This document is being released to the public and distributed to the Bank's Board of Executive Directors simultaneously. This document has not been approved by the Board. Should the Board approve the document with amendments, a revised version will be made available to the public, thus superseding and replacing the original version.

CONTENTS

PROJECT SUMMARY

I.	PROJECT DESCRIPTION AND RESULTS MONITORING	1
A.	Background, problems addressed, and rationale	1
B.	Objectives, components, and cost	9
C.	Key results indicators	11
II.	FINANCING STRUCTURE AND MAIN RISKS	12
A.	Financing instruments	12
B.	Environmental and social safeguard risks.....	13
C.	Fiduciary risks	13
D.	Other key risks and issues.....	13
III.	IMPLEMENTATION AND MANAGEMENT PLAN	14
A.	Summary of implementation arrangements	14
B.	Summary of arrangements for monitoring results	17
IV.	ELIGIBILITY CRITERIA	18

APPENDIXES

Proposed resolution

ANNEXES	
Annex I	Development Effectiveness Matrix (DEM) – Summary
Annex II	Results Matrix
Annex III	Fiduciary Agreements and Requirements

LINKS
REQUIRED <ol style="list-style-type: none">1. Multiyear execution plan (MEP) / annual work plan (AWP)2. Monitoring and evaluation plan3. Procurement plan OPTIONAL <ol style="list-style-type: none">1. Economic analysis of the project<ol style="list-style-type: none">1.A. Report1.B. Spreadsheet2. Technical annex on ICTs3. Annex on climate change4. Annex on greenhouse gas effect calculations5. Program Operating Regulations<ol style="list-style-type: none">A. Program OR I (Component 1, Subcomponent 2.1, and Component 3)B. Program OR II (Subcomponent 2.2)6. Program vertical logic7. Safeguard Policy Filter (SPF) and Safeguard Screening Form (SSF)

ABBREVIATIONS

ANDJE	Agencia de Defensa Jurídica del Estado [National Agency for Legal Defense of the State]
AWP	Annual work plan
CCLIP	Conditional credit line for investment projects
CEJ	Corporación Excelencia por la Justicia [Corporation for Justice Excellence]
CGR	Contraloría General de la República [Office of the General Comptroller of the Republic]
CONPES	Consejo Nacional de Política Económica y Social [National Economic and Social Policy Council]
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSJ	Consejo Superior de la Judicatura [Superior Council of the Judiciary]
DEAJ	Dirección Ejecutiva de Administración Judicial [Executive Directorate of Judicial Administration]
DNP	Departamento Nacional de Planeación [National Planning Department]
FGN	Fiscalía General de la Nación [Office of the Prosecutor General]
ICT	Information and communication technology
MHCP	Ministry of Finance and Public Credit
MinTIC	Ministry of Information and Communication Technology
MJD	Ministry of Justice and Law
OECD	Organisation for Economic Co-operation and Development
OR	Operating Regulations
PCR	Project completion report
PEP	Program execution plan
PEU	Program execution unit
SIUGJ	Sistema Integrado Único Gestión Judicial [Single Integrated Judicial Management System]

PROJECT SUMMARY

COLOMBIA CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS FOR THE DIGITAL TRANSFORMATION OF JUSTICE IN COLOMBIA (CO-00007) PROGRAM FOR THE DIGITAL TRANSFORMATION OF JUSTICE IN COLOMBIA (FIRST INDIVIDUAL OPERATION) (CO-L1256)

Financial Terms and Conditions						
Borrower:				Flexible Financial Facility ^(a)		
Republic of Colombia				Amortization period:		23 years
Executing agency:				Disbursement period:		4 years
Republic of Colombia, acting through the Superior Council of the Judiciary (CSJ) and the Ministry of Justice and Law (MJD)				Grace period:		6.5 years ^(b)
Source	CCLIP (US\$)	First program (US\$)	%	Interest rate:		LIBOR-based
IDB (Ordinary Capital):	500 million	100 million	100%	Credit fee:		(c)
				Inspection and supervision fee:		(c)
Total:	500 million	100 million	100%	Weighted average life (WAL):		15.21 years
				Currency of approval:		U.S. dollars
Project at a Glance						
Objective of the CCLIP: The objective of the CCLIP is to support the digital transformation of justice in Colombia with a medium- and long-term vision.						
Objectives of the first individual operation under the CCLIP: The general objective of the first individual operation is to make the justice system more effective, efficient, and transparent in judicial processes and to better meet the judicial needs of citizens. To achieve this, the three specific objectives are: (i) more effective management of judicial processes; (ii) more efficient management of judicial processes; and (iii) more transparent management of judicial processes.						
Special contractual conditions precedent to the first disbursement of the loan proceeds: Each executing agency will provide evidence to the Bank that: (i) the program execution unit (PEU) and its members have been designated, in accordance with the applicable rules of law and the job descriptions and terms of reference included in the respective program Operating Regulations and previously agreed upon with the Bank; and (ii) the corresponding program Operating Regulations have been approved and entered into force on the terms and conditions previously agreed upon with the Bank (see paragraph 3.8).						
Exceptions to Bank policy: None.						
Strategic Alignment						
Challenges: ^(d)		SI <input type="checkbox"/>		PI <input checked="" type="checkbox"/>		EI <input type="checkbox"/>
Crosscutting themes: ^(e)		GE <input type="checkbox"/> and DI <input type="checkbox"/>		CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>		IC <input checked="" type="checkbox"/>

^(a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, and commodity conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

^(b) Under the flexible repayment options of the Flexible Financing Facility (FFF), changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life (WAL) of the loan or the last payment date, as documented in the loan contract.

^(c) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with applicable policies.

^(d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(e) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problems addressed, and rationale

- 1.1 **Background.** The pandemic has had a profound health, economic, and social impact. The economy contracted by 6.8% in 2020, the sharpest decline in GDP in the country's history. In social terms, deterioration of the economy has been reflected in a higher unemployment rate (15.9% in February 2021). The need for greater fiscal flexibility to address the pandemic and reduced economic growth resulted in a deficit of 7.8% of GDP in 2020 and in suspension of the Fiscal Rule until 2022. Meanwhile, gross debt stood at 64.8% of GDP in 2020, 14.5 points above its 2019 level. For 2021, the government projects a deficit of 8.6% of GDP, given expectations of greater public spending to address the emergency and economic recovery. Even so, the country maintains an investment grade credit rating. To achieve fiscal consolidation in the short and medium term, the government plans to adopt measures to improve tax revenue intake. Along with starting the vaccination process, this will spur faster economic recovery. In effect, the International Monetary Fund (IMF) forecasts a gradual recovery of the economy with a growth rate of up to 5.0% in 2021, projecting that the fiscal deficit will decline gradually until 2026, and public debt will remain sustainable in the medium term.
- 1.2 For Colombia to continue building its capacity to accelerate economic growth and social development during the pandemic period and future years, significant gains in productivity must be encouraged for rapid economic recovery. Working toward modernization of the State is also essential for that to occur. In particular, it will be important to be successful in strengthening the justice sector in the area of digital transformation and achieving greater efficiency and effectiveness through digital tools making it possible to streamline procedures, reduce costs, and increase citizens' access.
- 1.3 In Colombia, the administration of justice is the responsibility of the judicial branch, consisting of the Consejo Superior de la Judicatura¹ [Superior Council of the Judiciary] (CSJ) and five jurisdictions: ordinary (Supreme Court of Justice), administrative (Council of State), constitutional (Constitutional Court), disciplinary (National Judicial Discipline Commission), and special (Special Jurisdiction for Peace).² The High Courts³ function as final appeals levels for a system made up of 5,446 judicial offices with different specialties and hierarchical levels,⁴ averaging 10.8 judges per 100,000 inhabitants.⁵

¹ Judicial governance and administration body.

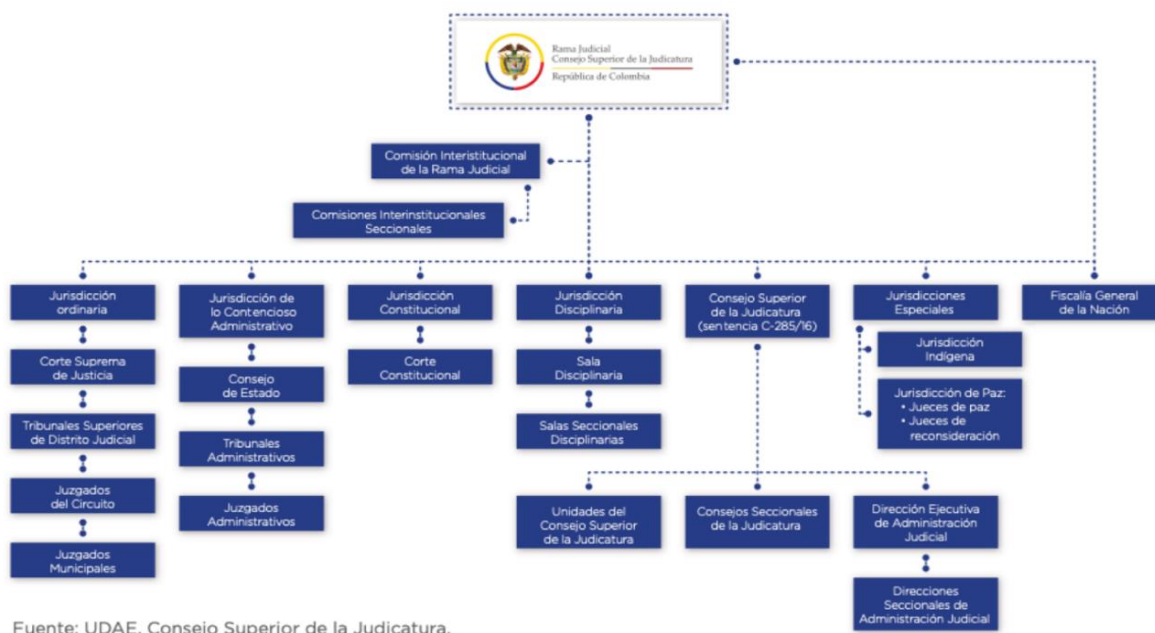
² The judicial branch also includes the Fiscalía General de la Nación [Office of the Prosecutor General] (FGN) and the Special Jurisdiction for Peace. This program does not include those.

³ The group of final appeals institutions or bodies of the three principal jurisdictions and the CSJ are known as the High Courts.

⁴ CSJ, 2016. Annual Report.

⁵ The international standard according to the Organisation for Economic Co-operation and Development (OECD) is 65 judges per 100,000 inhabitants.

Figure 1. Organizational structure of the judicial branch in Colombia



Source: CSJ, 2020. Judicial Branch Report to the Congress of the Republic for 2019.

- 1.4 Several studies⁶ have suggested the need to improve the efficiency of the justice system. Between 1993 and 2019, lawsuits increased by 278%, rising from 748,063 to 2,831,240.⁷ There was also limited growth in judicial offices and staff, along with a persistent low ratio of employees in administrative support functions. In the same period, the number of permanent judicial offices increased 38%, which stands in contrast to the cited 264% increase in lawsuits. Additionally, only 6.37% of the total number of justice system employees (31,496) perform administrative functions, so the high demand for services means that staff with core functions or technical job descriptions must involve themselves in these tasks.⁸
- 1.5 Although strategies have been implemented over the last 20 years to strengthen administrative capacity and access to justice and to deal with the judicial backlog, these have been based on isolated problems with no systemic vision, contributing to a rise in distrust of the justice system.⁹ International measurements¹⁰ show that, whereas satisfaction with, and trust of, the justice system is 56% in the OECD countries, it is 28% in Colombia. Recent measurements¹¹ indicate that citizens'

⁶ Corporación Excelencia por la Justicia [Corporation for Justice Excellence] (CEJ), Fedesarrollo, Consejo Privado de Competitividad, Doing Business, Study of CSJ processing times, among the principal studies.

⁷ CSJ 2020. Report of the Judicial Branch to the Congress of the Republic, year 2019.

⁸ In comparison, at the Fiscalía General de la Nación [Office of the Prosecutor General] (FGN), 22% of employees have administrative duties.

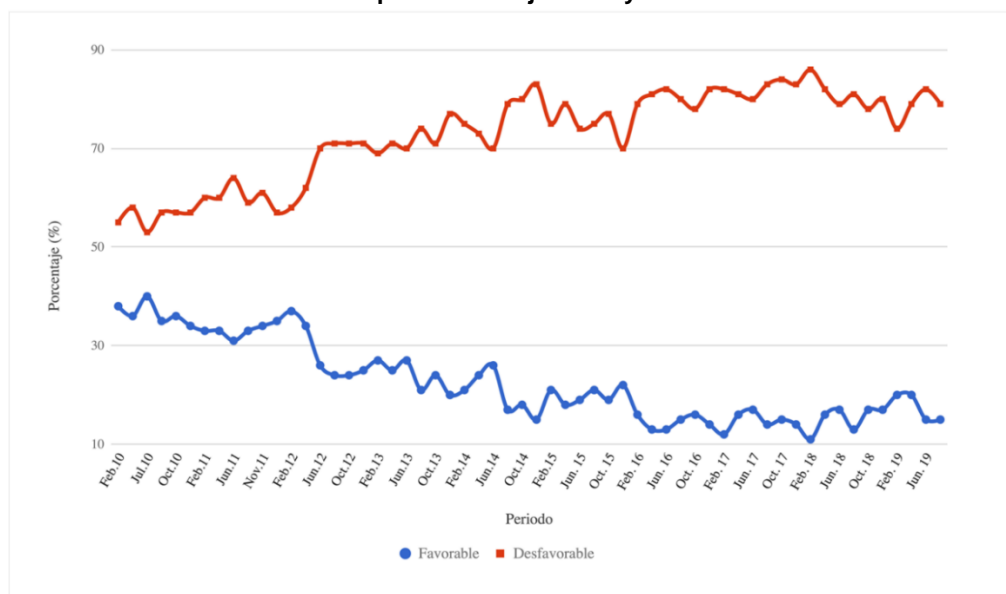
⁹ Bases del Plan Nacional de Desarrollo 2018-2022 [Principles of the 2018-2022 National Development Plan], page 85.

¹⁰ OECD (2019). Government at a Glance.

¹¹ Gallup Poll Colombia, 2019.

unfavorable opinion of the justice system increased from 57% in 2010 to 80% in 2018. In addition, 70% of the general public feels that justice is slow or very slow.¹²

Illustration 2. Citizen opinion of the justice system in Colombia



CEJ. [Opinión ciudadana acerca del sistema judicial en Colombia](#) [Citizen opinion of the justice system in Colombia], September 2019.

- 1.6 The different entities making up the justice system have made progress on strengthening their capacities and coordination.¹³ Notably, in December 2018, justice system authorities, the Ministry of Justice and Law (MJD), and the Ministry of Information and Communication Technologies (MJD) signed a memorandum of understanding¹⁴ to move toward digital dockets. For effective interaction and promotion of this task, a Steering Committee and Technical Roundtable were created, with a joint technical secretariat consisting of a representative from the national government and a representative from the CSJ.
- 1.7 The 2018-2022 National Development Plan, “Pact for Colombia, Pact for Equity,” sets the objective of improving the coverage and quality of justice services offered by the executive branch in order to improve justice services and access to them, through a strategy of promoting the single digital docket for all justice operators within the executive branch at the national level.¹⁵

¹² National Survey of Judicial Needs: General and comparative analysis for three populations, 2013.

¹³ The CSJ has made progress on digital modernization in judicial management. Notable advances include pilot projects for injunctive proceedings to protect constitutional rights in Sincelejo, the electronic headquarters for judicial management of the Council of State, the electronic headquarters for Virtual Actions of the Supreme Court of Justice, the Constitutional Court’s software for intake, analysis, and tracking, and the Land Restitution Portal.

¹⁴ Judicial Branch–National Government memorandum of understanding. Pilot test of digital docket. Extended 17 December 2019.

¹⁵ Principles of the 2018-2022 National Development Plan, page 91.

- 1.8 In addition, the 2019-2022 Sectoral Development Plan of the Judicial Branch, “Modern Justice with Transparency and Equity,” established technological modernization as one of its major focus areas with the objective of making progress on implementation of a digital transformation approach in judicial management and public value creation in the service of the administration of justice.
- 1.9 Also noteworthy are recent government efforts to create the Presidential Advisory Office for Digital Transformation and issuance of the document of the National Economic and Social Policy Council (CONPES) for Digital Transformation and Artificial Intelligence,¹⁶ which includes digital docket guidelines for national-level entities with executive branch jurisdictional functions.
- 1.10 Digital transformation also contributes to the reduction of greenhouse gas emissions because it reduces the travel necessary for judicial proceedings, furthering to the country’s commitments to climate change mitigation.¹⁷
- 1.11 Lastly, the judicial branch faced significant challenges amid the COVID-19 pandemic. Taking stock of the year, 2020 saw the advent of electronic processing of injunctive proceedings to protect constitutional rights, an increase in mass virtual hearings from 29,000 in 2019 to 800,000 in 2020, and telework with the creation of 28,000 institutional mail accounts for civil servants. This shows the volume of proceedings that must be handled by the justice system to facilitate access to the most basic services to protect the rights of citizens. The use of technology tools as part of a digital ecosystem has made it possible to reduce in-person processes. In late 2020, the CSJ approved the 2021-2025 Digital Transformation Plan to strengthen planning instruments and the alignment of financial sources in order to improve the delivery of justice services via digital mechanisms.
- 1.12 **Problems and challenges.** The main problem is the limited effectiveness and efficiency of the justice system. In 2017, only 10% of the entire population reported at least one judicial need;¹⁸ within that universe, the issue was not resolved in 60% of cases,^{19 20} for the lowest percentage of judicial needs among the countries studied.²¹ In addition, from the citizens’ viewpoint, 31% of the population says the main barrier to access to justice is the time and quantity of proceedings required of them.^{22 23}

¹⁶ CONPES document 3975 of 2019.

¹⁷ According to the “Intended Nationally Determined Contribution” to the Paris Agreement, Colombia committed to reduce its greenhouse gas emissions by 20% relative to projected emissions by 2030 (Nationally Determined Contributions Colombia).

¹⁸ Needs that individuals have to enforce their rights before the justice system. [See link.](#)

¹⁹ National Planning Department (DNP), 2016. Survey of Unmet Judicial Needs.

²⁰ Regarding effectiveness, 37% of decisions are reversed or amended by hierarchical superiors (CSJ, 2018), whereas this figure is 10% on average in countries like the U.S. (Emory Law Journal, Edwards, Barry. [Why appeals courts rarely reverse lower courts: An experimental study to explore affirmation bias](#)).

²¹ [Necesidades Jurídicas en Colombia 2016](#) [Judicial Needs in Colombia 2016].

²² United Nations, Effective Access Index.

²³ According to Doing Business 2018, Colombia has the highest costs due to time delays, amounting to 46% of amount sought, the highest rate in Latin America.

- 1.13 The specific problems are: (i) limited effectiveness in the management of judicial processes; (ii) low efficiency in the management of judicial processes; and (iii) low transparency in the management of judicial processes. The main challenges are:
- 1.14 **Limited effectiveness of the justice system in managing judicial processes.** The Partial Resolution Rate²⁴ fell from 115% in 2010 to 79.7% in 2018, and the Full Resolution Rate²⁵ fell from 66% to 45% for the same period. Moreover, considering Outgoing Cases per Judge,²⁶ a decline of 10% is seen in ordinary justice from 366 cases in 2011 to 331 cases in 2016.²⁷
- 1.15 **Limited timeliness of the justice system in resolving processes.** In Colombia, a proceeding at the first stage of the judicial process (first instance) takes an average of 670 days,²⁸ while the first instance average in the OECD countries is 240 days.²⁹ Of the days that the justice system takes to resolve a first instance proceeding, only 51% of legal collections proceedings,³⁰ 32% of criminal proceedings, and 42% of labor proceedings are resolved within the statutory time frames.³¹
- 1.16 **Limited transparency³² of the justice system and difficulty accessing information.** Access to cases is restricted both by the lack of mechanisms³³ for case tracking and limited reporting of up-to-date information in all jurisdictions.³⁴ To date, the CSJ alone has 31 information systems, and each of the High Courts has its own recording and tracking tools.³⁵
- 1.17 **Rationale and intervention strategy.** This program supports the country's efforts to modernize the justice system in order to provide effective, timely, and transparent justice. A substantial change is proposed in the management of the

²⁴ Compares actual incoming cases with actual outgoing cases of a judicial office. Other factors identified are costs, legal barriers, ignorance of standards.

²⁵ The percentage resulting from the division of outgoing cases and workload, used to identify the proportion of processes evaluated in a given period compared to the number of matters handled by the judicial office.

²⁶ Outgoing cases per judge refers to cases exiting the court compared to those entering the court, measured per court so that specific efficiencies can be observed by court and jurisdiction.

²⁷ CEJ, 2019. La eficiencia en el sector justicia colombiano, énfasis en la jurisdicción ordinaria [Efficiency in Colombia's justice sector, emphasis on ordinary jurisdiction].

²⁸ It takes 1,288 days to enforce performance of a contract. Colombia holds second-to-last place in the ranking of the World Economic Forum. Cost is calculated at 45.8% of the contract value.

²⁹ OECD, 2013. Judicial performance and its determinants: a cross-country perspective. page 7.

³⁰ Refers to lawsuits where the aim is to collect on a debt through the courts, where the judge orders payment of a debt or any obligation backed by an enforcement certificate. Applies for the ordinary jurisdiction, civil/commercial jurisdiction for the specific case of small claims proceedings relating to purchase and sale.

³¹ Consejo Privado de Competitividad. 2019. Informe Nacional de Competitividad [National Competitiveness Report], Chapter 9. page 59.

³² Understood as the capacity of entities to make their actions publicly known.

³³ The 2017-2027 Ten-year Justice Plan identifies the low quality of monitoring and evaluation as one of the current justice system's main problems.

³⁴ CEJ for Fedesarrollo, 2019. Receives information from all judicial offices that report quarterly. This process has a margin of error that produces inconsistencies in the records or the absence of records.

³⁵ Within each of the information systems, there has been evidence of limited standardization of master data for making information consistent.

justice system based on a comprehensive intervention strategy and a long-term view contributing to improvement in the delivery of justice services. For this, the program includes actions in three major focus areas: (i) strengthening the capacity of institutions to adopt the new technologies as a transformation tool; (ii) bringing new technologies and digital services to the entire justice system; and (iii) transforming the paper culture to a digital culture geared toward better serving citizens.

- 1.18 **The Bank's experiences and lessons learned in the region.** The design of the program has taken into account the recommendations from the latest evaluations of the Bank's Office of Evaluation and Oversight (OVE) (documents RE-456 and RE-455-1), as well as lessons learned from more than a decade of the Bank's work in supporting justice entities and modernizing procedures and services, notably: Program to Support the Criminal Justice Sector (loan 1905/OC-GU), Program to Support Modernization of the Administration of Justice, Stage II (loan 1115/SF-HO), Program for the Administration of Justice, Phase II (loan 1377/OC-CR), Program to Strengthen the Justice System (loan 1723/OC-PR), Program for Strengthening the Judicial System (loan 1277/OC-UR), and the Project for Strengthening Justice Services (loan 2277/OC-CO). In addition, the Bank has ample experience in the design and implementation of projects leveraging information and communication technologies (ICTs) to transform public administration, notably: Panama Online Program (loan 3683/OC-PN), Government Digital Transformation to Strengthen Competitiveness (loan 4549/OC-BH), Project to Improve and Expand Support Services for National Service Delivery to Citizens and Enterprises (loan 4399/OC-PE), Digital Agenda Support Program (loan 4650/OC-PR), and the Public Management and Citizen Services Improvement Program (loan 3298/OC-CH). Also noteworthy is the Bank's support for the digital transformation of Uruguay over the last 12 years through seven loan operations, including the Program to Support e-Government Management in Uruguay II (loan 2591/OC-UR) and the Program for Improvement of Public Services and State-Citizen Interaction (loan 3625/OC-UR). This support has enabled Uruguay to become the region's most advanced country in digital government, according to the United Nations ranking, as a member of the D9 (group of the world's leading digital nations), and to process 95% of citizen procedures online.
- 1.19 The lessons learned from justice and digital transformation projects underscore the importance of: (i) targeting actions for better tracking to achieve greater impact; (ii) having committed leadership on the part of the beneficiary institutions; (iii) identifying a governance model that ensures institutional coordination; (iv) providing opportunities for participation for all major stakeholders; (v) planning projects by phases and implementing systems by modules, to obtain results early and learn lessons to be incorporated into the execution process; and (vi) incorporating change management mechanisms to support digital transformation and organizational adaptation, among other key lessons. These lessons have been incorporated on a crosscutting basis into the design of project activities such as capacity-building, tracking tools, training, generation of digital services, incorporation of cybersecurity guidelines and protocols, and others as specified in paragraphs 1.31 to 1.35.

- 1.20 **The Bank's experiences and lessons learned in Colombia.** The IDB has implemented operations that contribute to the country's goals of transparency, equality, and justice, as reflected by operations 4443/OC-CO, 2249/OC-CO, and 1459/OC-CO on Institutional Strengthening of the Procuraduría General de la Nación [Office of the Inspector General of the Nation] (PGN) and 2755/OC-CO of the Agencia de Defensa Jurídica del Estado [National Agency for the Legal Defense of the State] (ANDJE). These have resulted in a nationwide prevention model based on analytics in the case of the PGN, and establishment of the ANDJE, yielding around US\$14.5 million in savings for the country just from the entry into operation of the legal defense information system, which now in 2020 consolidates all the information on claims and arbitration awards against the government and improves transparency by ensuring access to such information in real time. The lessons learned³⁶ from these projects show the importance of: (i) generating high levels of coordination among the various institutional units for more effective and timely decision-making; (ii) conducting an exhaustive diagnostic assessment of the beneficiary entity's needs and priorities during the various planning and program design phases, so as to produce timely results; and (iii) the beneficiary entity adopting the necessary measures to ensure ongoing training for public servants, to facilitate program sustainability. To incorporate these lessons learned, progress has been made in gathering information and keeping the diagnostic assessments up to date, as well as working with the courts and the national government on an ongoing basis, to continue a dialogue on the digital transformation challenges for justice in the country. Steady progress in strengthening transparency, equality, and justice is a long-term process that has been enriched by the progressive incorporation of the lessons learned in projects. Some of these activities are being financed under the technical cooperation operation presented in paragraph 1.24.
- 1.21 Contributions have been made to make ANDJE and the entities of the legal defense system more efficient, generating sizeable savings for the country. This has made it possible to tap the lessons learned from other operations to move forward in a more targeted way in generating institutional, management, and technology tools for institution-strengthening and decision-making.
- 1.22 The Bank also implemented the Project for Strengthening Justice Services (loan 2277/OC-CO) with its four components: (i) strengthen judicial administration; (ii) Improve the quality of case-law information; (iii) improve services for the public; and (iv) support legislative information management. Key results include: (i) definition of the target architecture for the Single Integrated Judicial Management System (SIUGJ) and projects to support strategies, data, information systems, and information technology infrastructure and services; and (ii) design and documentation of optimized business processes corresponding to the civil, labor, criminal, family, constitutional, and administrative jurisdictions based on the outcomes of consulting engagements.
- 1.23 Lessons learned from this project show: (i) the importance of including the CSJ not only as executing agency but also as beneficiary, to build the capacity enabling it to provide effective support to the courts; (ii) the importance of including the analyses provided by the judicial branch and different sources of information from

³⁶ Project completion report ([PCR](#)).

agencies and think tanks, to allow evidence-based design; and (iii) the importance of having an impact evaluation in future operations in the sector. These lessons have been reflected in the implementation arrangements described in paragraph 3.1, in each corresponding program Operating Regulations and the [monitoring and evaluation plan](#), as well as in identifying activities to strengthen the monitoring of implementation and results-based measurement incorporated in Component 1.

- 1.24 **Technical cooperation.** The program is accompanied by technical cooperation operation ATN/FG-17933-CO for US\$400,000, to support: (i) the systematic documentation of current digitalization efforts by the judicial branch; (ii) diagnostic assessment of management capabilities and human talent; (iii) inventory of capacities and needs in technological infrastructure and the regulatory framework; and (iv) workshops among the High Courts, the MJD, and MinTIC based on better coordination. Progress on execution of the technical cooperation operation, which began in January 2020, is on schedule with 100% completion in terms of outputs and expected impact.
- 1.25 **Coordination with other multilateral agencies and international cooperation initiatives.** This project complements the different strengthening initiatives undertaken by the justice system, notably support from specific World Bank consulting engagements under a contract for reimbursable advisory services for the modernization of judicial management with support from information and communication technologies, under which progress has been made on the diagnostic assessment and recommendations for implementation of the SIUGJ. The IDB has identified synergies with this work related to the generation of standards for the justice system to move toward a digital ecosystem. Also to be noted is the signing of a memorandum of understanding between the Constitutional Court and the German Cooperation Agency to promote actions designed to encourage self-regulation mechanisms for transparency and accountability.
- 1.26 **Strategic alignment.** The project is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and is strategically aligned with the challenge of productivity and innovation by introducing and strengthening the use of technology tools to improve not only response times but also the use of existing resources directly targeting improved effectiveness in Colombia's justice system. The program is also aligned with the crosscutting areas of: (i) institutional capacity and rule of law, by making Colombia's justice system more efficient and transparent through greater coordination among the entities making up the judicial ecosystem with crosscutting management and technology tools that enable interoperability and the development of organizational, human, and operational capabilities; and (ii) climate change and environmental sustainability, by demonstrating a reduction of greenhouse gas emissions because less travel will be necessary to access justice services. Of the operation resources, 47.5% is invested in climate change mitigation activities, according to the [joint methodology of the multilateral development banks](#). These resources contribute to the IDB Group target of allocating at least 30% of the total volume of approvals for

climate finance.³⁷ The program will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) based on the following indicators: (i) government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery; (ii) accountability institutions strengthened; and (iii) projects supporting innovation ecosystems. The program is also aligned with the Sector Strategy: Institutions for Growth and Social Welfare (document GN-2587-2) in the area of reducing insecurity and its pillar of supporting public policy by strengthening the capabilities of sector entities. It is consistent with the Citizen Security and Justice Sector Framework Document (document GN-2771-7) that prioritizes efficient and timely citizen access to justice services. In addition, the program is aligned with the IDB Group country strategy with Colombia 2019-2022 (document GN-2972) in the strategic area of public management effectiveness and the strategic objective of increasing the efficiency and quality of justice. Such improvement will be the result of modernization of the technological, information, and services infrastructure supporting judicial investigation, among other factors. Lastly, the operation is included in the 2021 Operational Program Report (document GN-3034).

- 1.27 **Considerations on technological innovations.** The program incorporates innovative products and activities in the area of technology, such as the creation and launch of an innovation and emerging technologies laboratory. This will provide an opportunity for the judicial ecosystem to move toward resolving specific problems based on its own experience and the contributions of experts. In addition, in cybersecurity, a strategy will be identified (see paragraph 1.31) to create a digital justice environment that safeguards actions in judicial and administrative proceedings, as well as ensures availability, communication, integrity, confidentiality, and risk recovery and takes steps to help minimize and respond to potential attacks. Furthermore, anticipating that any technological innovation generates resistance to change, the program incorporates strategies for creating an atmosphere of openness and willingness vis-à-vis the process of transformation.
- 1.28 **Gender considerations.** Additionally, the program contributes to gender equity through the implementation of training to provide tools for the sector's employees and create awareness of the need to serve women victims. Although a quantitative gap cannot be established based on the information available, the program proposes to develop specialized curricula, so that metrics can be established on the subject for developing measures tailored to the public policy level, as included in the Results Matrix (Annex II), output indicator 3.1.

B. Objectives, components, and cost

- 1.29 **Objective of the Conditional Credit Line for Investment Projects (CCLIP).** To support the digital transformation of justice in Colombia with a medium- and long-term vision.
- 1.30 **Objective of the first individual operation under the CCLIP.** To make the justice system more effective, efficient, and transparent in judicial processes and to

³⁷ 2019 Joint Methodology for Tracking Climate Change Mitigation Finance, page 38. The mitigation of greenhouse gas emissions as a consequence of reduced travel due to the digitalization of judicial proceedings. See Annex on Climate Change, [optional link 3](#).

better meet the judicial needs of citizens. To achieve this, the three specific objectives are: (i) more effective management of judicial processes; (ii) more efficient management of judicial processes; and (iii) more transparent management of judicial processes.

- 1.31 **Component 1. Institutional strengthening of the justice system (US\$37,561,000).** This component seeks to improve the organizational, technological, and managerial capacities of the justice system for digital transformation³⁸ through the following activities: (i) design and implementation of the quality assurance model for the information systems; (ii) development of the justice system capacities model; (iii) development and implementation of the institutional architecture model for data management, including its design and implementation, encompassing organizational, technological, project execution, and other capabilities; and (iv) design and implementation of the scoping and capacity planning strategy for the necessary information technology to support justice system operations; (v) development and launch of the strategy and tools for strengthening the management processes associated with justice system monitoring, case tracking, and control; (vi) support in implementing the projects prioritized by the judicial branch based on the diagnostic assessments and map of opportunities developed with resources from technical cooperation operation ATN/FG-17933-CO (see paragraph 1.24); and (vii) design and implementation of the cybersecurity and data protection strategy; and other activities.
- 1.32 **Component 2. Strengthening of digital services³⁹ and technology for justice (US\$43,300,000)**
- 1.33 **Subcomponent 2.1. Strengthening for the digital transformation of justice (US\$38,300,000).** This subcomponent will support the construction of digital services for creation of a digital ecosystem⁴⁰ to improve justice system access, transparency, and integration through the following activities: (i) design, development, and implementation of digital file modules and functionalities; (ii) ICT infrastructure and services; (iii) design and implementation of the business architecture model with a view to aligning ICTs with the mission of the justice system; (iv) design, development, and implementation of interoperability and integration in the justice system; (v) design, development, and implementation of services for the oral justice system; and (vi) design and execution of strategies for deploying solutions to support digital transformation of the justice system; and other activities.
- 1.34 **Subcomponent 2.2. Strengthening of justice services offered by the executive branch (US\$5,000,000).** This subcomponent will support the design, development, and implementation of justice services offered by the executive

³⁸ The activities of this component include work at the Superior Council of the Judiciary (CSJ), the Executive Directorate of Judicial Administration (DEAJ), the High Courts, and the Ministry of Justice and Law (MJD).

³⁹ Technology solutions to optimize the work of the government and facilitate citizen interaction with the public administration. [Digital Citizen Services](#).

⁴⁰ Set of tools and systems that are adaptive, able to evolve over time, and interact in accordance with some agreed definitions allowing for communication, interoperability, and exchange of information on a harmonious and ongoing basis. Definition based on "Digital ecosystems: evolving service-oriented architectures" (Brisco and De Wilde), 2009.

branch,⁴¹ notably the activities of national entities with jurisdictional roles such as the superintendencies of Industry and Commerce, Financial, Corporations, and Health, Unidad Administrativa de Derechos de Autor [Copyright Administrative Unit], Instituto Colombiano Agropecuario [Colombian Agricultural Institute] and others. Work will be directed to consolidating the digital file, including guidelines on key aspects including interoperability and digital signatures.

- 1.35 **Component 3. Strengthening of the digital environment and culture (US\$14,139,000).** This component seeks to strengthen change management in the justice system, giving rise to a culture that foster digital transformation. The following activities will be financed: (i) design, development, and implementation of the change management and communications strategy, including curricula on gender and justice issues; (ii) services to support the digital transformation of the justice system; (iii) design, development, and implementation of the citizen services model; and (iv) development and implementation of support strategies and tools for introducing digital tools.
- 1.36 **Program administration.** Costs for auditing, monitoring, and evaluation are estimated at US\$5,000,000, equal to 5% of the budget for the first operation.
- 1.37 **Beneficiaries.** Citizens and businesses will benefit from greater effectiveness, efficiency, and transparency in the justice system. The benefits are expected to accrue not only to citizens or businesses resorting to the justice system, but to those who, through the activities proposed in this program, will see improvement in response times for the justice system to meet their judicial needs and savings from the digitalization of services and access to information on the status of their judicial processes.

C. Key results indicators

- 1.38 **Expected results.** The main expected impact of the operation is an improvement in the effectiveness and efficiency of the justice system's response to citizens measured through: (i) higher percentage of citizens' judicial needs resolved by the justice system; and (ii) lower costs to citizens for access to justice. The expected outcomes are: (i) more effective management of judicial processes; (ii) more efficient management of judicial processes; and (iii) more transparent management of judicial processes.
- 1.39 **Economic evaluation.** Based on the economic analysis, the program was considered cost-effective in the base-case scenario where the justice system's productivity increases 8% over a period of ten years. In this scenario, the social internal rate of return (IRR) is 34%, the program's cost-benefit ratio is 2.1, and the net present value (NPV) is US\$82,511,672. Based on the sensitivity analysis, the sensitive variable, accounting for 100% of the variations in NPV, is increased productivity from the development of technology and management tools, which translates into net benefits per judicial process. In the conservative scenario where the productivity increase is 5%, the IRR falls to 20%, and the cost-benefit ratio is

⁴¹ Refers to MJD coordination of activities of national agencies with jurisdictional roles. This work is aligned with CONPES document 3975, "National Policy for Digital Transformation and Artificial Intelligence," which establishes that the MJD will coordinate activities relating to the digital file so that national agencies with jurisdictional functions in the executive branch implement the digital file and will be responsible for digital infrastructure and compliance with MinTIC policies.

1.3, such that more than US\$24,166,178 is expected to be recovered, in addition to the US\$100,000,000 invested, demonstrating that the program remains cost-effective even in this scenario. In the optimistic scenario, the variable is 12%, and the IRR increases to 50%, yielding a cost-benefit ratio of 3.2, which means that the program would recover US\$160,305,664 for the amount invested (see [Economic Analysis](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **CCLIP.** The total amount of the sector CCLIP will be US\$500 million to finance sequential individual operations under it. The total amount of the CCLIP will be drawn from the Bank's Ordinary Capital resources. The amount of funding and the applicable financial terms and conditions will be determined in the context of each individual operation. The amount for each individual operation financed with the Bank's Ordinary Capital resources or Bank-administered funds will be calculated for purposes of the total amount available under the CCLIP. The CCLIP will have a duration of 12 years and include at least three sequential operations.
- 2.2 **Rationale for the instrument.** The CCLIP is the IDB operational instrument most suited to supporting the justice system's digital transformation given the initiatives planned in the short, medium, and long term. Successful international experiences reviewed, like Spain's,⁴² show that the digital transformation of justice requires a government vision for the judicial system that extends beyond the time a specific government administration remains in office, guaranteed through the appointment of permanent teams, the creation of decision-making bodies not dependent on specific individuals, and financial planning so that an ongoing and sustained flow can be maintained for periods of time beyond ten years. According to the definition of the sector CCLIP in its operational guidelines (document OP-1622-3), the Superior Council of the Judiciary (CSJ) and the Ministry of Justice and Law (MJD) are the executing agencies and have the institutional capacity to exercise that role. In particular, the sector CCLIP will be strategic for ensuring the continuity of technical and financial resources over time. The first individual operation under the sector CCLIP will be a specific investment loan.
- 2.3 **Costs and programing of the first operation under the CCLIP.** The first individual operation will have a specific investment of US\$100 million drawn from the Bank's Ordinary Capital resources. Table 1 describes the consolidated budget by component; the breakdown is shown in the [itemized budget](#).

⁴² In Spain, the process of digital modernization of justice has incorporated new technologies over the last ten years for savings of nearly US\$3 billion through the successive efforts of several administrations aligned with the European digital agendas, standing out not only in Europe but worldwide. For more information, see [link](#).

Table 1. Estimated costs of the program (US\$)

Components	IDB	%
Component 1. Institutional strengthening of the justice system	37,561,000	37.6
Component 2. Strengthening of digital services and technology for justice	43,300,000	43.3
Subcomponent 2.1. Strengthening for the digital transformation of justice	38,300,000	38.3
Subcomponent 2.2. Strengthening of justice services offered by the executive branch	5,000,000	5
Component 3. Strengthening of the digital environment and culture	14,139,000	14.1
Management of credit transactions (administration or other expenses)	5,000,000	5
Total	100,000,000	100

- 2.4 The loan proceeds will be disbursed over a period of four years as shown in Table 2. The proposed execution period reflects the Bank's experience in the region (see paragraph 1.18) and in Colombia (see paragraph 1.20), as well as the capabilities identified in the institutional capacity analysis. The executing agencies have executed projects with the Bank and have experience in the execution of loan proceeds. In addition, as established in paragraph 1.16, the two entities have undertaken significant efforts in the coordination and implementation of plans and projects that significantly complement the execution of this operation. Additionally, the Government of Colombia has created leeway in the budget for this operation for the four years, giving it priority as part of the agenda for the digital transformation of justice amid the pandemic health crisis.

Table 2. Tentative disbursement schedule (US\$)

Source	Year 1	Year 2	Year 3	Year 4	TOTAL
IDB	7,489,326.39	29,945,826.45	36,035,207.75	26,529,639.41	100,000,000
% per year	7.49	29.95	36.04	26.53	100

B. Environmental and social safeguard risks

- 2.5 In accordance with the Environment and Safeguards Compliance Policy (document OP-703), the operation was classified as category "C." No negative environmental or social impacts are foreseen. The program will not finance any physical infrastructure component, so no associated environmental or social risks are foreseen.

C. Fiduciary risks

- 2.6 The following were identified as medium risks: (i) the annual fiscal leeway required for program execution is not guaranteed. To mitigate this risk, it has been jointly determined with the government that this program will be prioritized in the timing of lending operations now being prepared; and (ii) the CSJ and the MJD do not have sufficient staff with experience, knowledge, and mastery of the financial management requirements under the Bank's procurement policies. To mitigate this risk, the institutional capacity analysis shows that the entities that will execute the loan have limited prior experience. Nevertheless, training and technical support will be provided by the counterpart teams of the program execution units (PEUs).

D. Other key risks and issues

- 2.7 The following risks were identified in the design stage:

- a. **Development.** Medium risks were defined as follows: (i) there is no coordination arrangements that operates effectively to reach agreement on the performance of the planned activities. To mitigate this risk, the program has maintained an active dialogue with all involved. In particular, a Technical Working Group involving the CSJ, the courts, and the national government has existed since December 2018. This advance in the area of coordination will be bolstered in the context of the program. Work has begun with the IDB's support under technical cooperation operation ATN/FG-17933-CO, as described in paragraph 1.24, and is expected to continue during implementation of the operation; and (ii) there may be resistance to change in the area of technology and management. To mitigate this risk, in recent years the justice system has made significant gains in technological modernization. The program includes technological change management actions in Subcomponent 2.1 and Component 3 that will facilitate digital transformation in the justice system. Lastly, through the resources of technical cooperation operation ATN/FG-17933-CO, progress is being made on efforts to identify changes in management and technology tools based on staff experience.
 - b. **Public management and governance.** A medium risk was identified that effective governance may not be achieved among the various stakeholders involved in the administration of justice. To mitigate this risk, the program will include an execution model that enables ongoing governance and coordination. See paragraphs 3.2 to 3.5 for more detail on the anticipated coordination mechanism that will facilitate and support mitigation of this risk.
- 2.8 **Sustainability.** To ensure that the actions under this first individual operation are sustainable, the program has sought to embrace and support the efforts the country has been making to modernize justice on a sustained basis through a CCLIP. The proposed activities are aligned with the objectives and actions under different plans and strategies led by the judicial branch and the national government, and efforts already under way at the justice system entities have been made part of the program. In particular, the activities proposed in Component 3 aim to work at the central level on engagement and adoption of the program by the technical staff that make up the justice system, so that changes will be promoted from within. The program also calls for international policies to be introduced, to ensure protection of the justice system's information, as well as the development of interoperability, case tracking, monitoring, and cybersecurity tools intended to make the activities proposed in this operation technically and financially sustainable in the medium and long term.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The borrower will be the Republic of Colombia, and the program will be executed by the Superior Council of the Judiciary (CSJ) and the Ministry of Justice and Law (MJD) ("the executing agencies"). Both the CSJ and the MJD will have a program execution unit (PEU) dedicated exclusively to implementation of the loan operation with support from the relevant functional areas at each institution. The program will be executed as follows: Component 1, Subcomponent 2.1, and Component 3 will be executed by the CSJ; and Subcomponent 2.2 will be executed by the MJD. The

institutional capacity analysis of the two executing agencies determined that both institutions have the capacity to implement the program and establishes measures to improve their fiduciary capacity based on the risks specified in the preceding section (see paragraph 2.6). The following areas for improvement were identified: (i) for the CSJ: issuance of an agreement involving the units of the CSJ and the Executive Directorate of Judicial Administration (DEAJ) in program execution, assigning responsibilities to bring them on board starting with the readiness phase; and (ii) for the MJD: addition of an ex post review of procurement procedures with the exceptions provided in the Bank's policies. Each executing agency will have a PEU with core staff including a procurement specialist, a financial specialist, a planning, monitoring, and evaluation specialist, and an information management and technologies specialist, and others, as detailed in the corresponding program Operating Regulations (program [OR I](#) and [OR II](#)).

- 3.2 **Internal coordination mechanisms.** The existence since 2018 of a Steering Committee and a Technical Working Group with members including the CSJ as well as the High Courts and national government, provides a platform demonstrating the sector's capacity for coordinating actions around strategic issues. Using this arrangement as the basis, the program will have two Steering Committees.
- 3.3 The first Steering Committee, for the judicial branch, will include the Chairman and Vice Chairman of the CSJ, the Executive Director of Judicial Administration, the Chief Justice of the Supreme Court of Justice, the Chairman of the Council of State, the Chief Justice of the Constitutional Court, and the program manager. The first three may speak and vote, and the last four may speak but not vote. It will have a technical body consisting of a delegate from each of the members of the Steering Committee, responsible preparing the technical inputs for each committee meeting, together with the PEU. The judicial branch's PEU will have direct and ongoing communication with the DEAJ in its role as judicial branch expenditure authorizer, as well as with the Steering Committee and the Technical Committee.
- 3.4 The second Steering Committee will be formed from the members of the Intersector Commission on Justice of the Executive Branch with MinTIC as a permanent guest invitee and the CSJ and DEAJ as guests. Credit will be directed by the MJD, which will issue instructions to the ministry's PEU. This Steering Committee will be in charge of a technical group made up of one delegate from each of the members and a delegate from MinTIC with the CSJ and DEAJ as guests.
- 3.5 The Steering Committees are expected to meet separately at least twice a year, to issue instructions to each of the PEUs. The judicial branch's Steering Committee will rely on inputs prepared by the Technical Committee together with the PEU, and, in the case of the MJD, these inputs will be prepared by the PEU for: (i) approval of the annual work plan (AWP), once a year; (ii) approval of requests for changes in terms of the scope of the loan; (iii) approval of extensions for the operation; and (iv) approval of the initial establishment of the PEUs.
- 3.6 **Main functions of each PEU.** The main functions include: (i) supervising execution and delivering progress reports; (ii) coordinating and carrying out procedures for preparation of terms of reference, competitive bidding and procurement of goods, and selection and contracting of services; (iii) coordinating

the performance of the project evaluations; and (iv) coordinating directly with the Bank, and other functions specified in the corresponding program [Operating Regulations](#). Coordination and communication with the IDB will be ongoing, to coordinate on all matters arising as part of execution.

- 3.7 **External coordination mechanisms.** The program adopts the MinTIC's guidelines on interoperability, standards, and data so as to ensure ongoing alignment with the country's digital strategy. In addition, external coordination will occur within the framework of the existing Steering Committee in the sector (see paragraphs 3.2 and 3.3).
- 3.8 **Special contractual conditions precedent to the first disbursement of the loan proceeds.** Each executing agency will provide evidence to the Bank that: (i) the program execution unit (PEU) and its members have been designated, in accordance with the applicable rules of law and the job descriptions and terms of reference included in the respective program Operating Regulations and previously agreed upon with the Bank; and (ii) the corresponding program Operating Regulations have been approved and entered into force on the terms and conditions previously agreed upon with the Bank, so as to establish guidelines, procedures, and coordination mechanisms to be followed for the effective execution of the program.
- 3.9 **Procurement.** Procurements financed in whole or part with Bank resources will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15). The [procurement plan](#) lists the procurements to be conducted during program execution.
- 3.10 **Disbursements.** The disbursement method will be advance of funds, based on liquidity needs for a period of up to six months; advances will be accounted for in accordance with the Financial Management Guidelines for IDB-financed Projects (document OP-273-6). In addition to the cash flow projections, disbursement requests must be accompanied by the special account reconciliation and the implementation status of the technical and fiduciary performance commitments.
- 3.11 **Retroactive financing.** The Bank may retroactively finance, as a charge against the loan proceeds, up to US\$10 million (10% of the proposed loan amount) in eligible expenditures incurred by the borrower prior to the loan approval date in the categories of goods, services, nonconsulting services, and consulting services, provided that requirements substantially similar to those of the loan contract have been met, including compliance with the IDB safeguard policies. Such expenditures must have been incurred on or after the project profile approval date of 25 February 2020, but not under any circumstances more than 18 months prior to the loan approval date.
- 3.12 **Audits.** The financial statements of the first individual operation will be audited annually by an independent audit firm accepted by the Bank, within 120 days after the close of each fiscal year in the program during the original disbursement period or extension thereof, if necessary. The final audited financial statement will be delivered within 120 days after the date stipulated for the last disbursement.

B. Summary of arrangements for monitoring results

- 3.13 **Supervision by the executing agencies.** The executing agencies will use the following documents for program supervision: (i) Results Matrix (ii) program execution plan ([PEP](#)); (iii) [monitoring and evaluation plan](#); (iv) [procurement plan](#); (v) program risk management matrix; (vi) six-monthly status reports; and (vii) program audited financial statements. Each of the PEUs will prepare consolidated six-monthly status reports for review by the Bank, delivering them no later than 30 days after the end of each six-month period.
- 3.14 **Supervision by the Bank.** The Bank will conduct administrative missions or inspection visits depending on the importance and complexity of program execution, following the schedule set in the [PEP](#), which identifies those points when the technical supervision of the Bank is deemed necessary. In addition, the Bank will use the progress monitoring report to monitor the operation's progress, utilizing the six-monthly status reports submitted by each executing agency as the principal input.
- 3.15 Additionally, joint meetings will be held between each executing agency and the Bank, to discuss: (i) progress on the activities identified in the [AWP](#); (ii) the level of compliance with the indicators established in the Results Matrix; (iii) the AWP for the upcoming year; and (iv) the [procurement plan](#) for the next 12 months and possible budgetary changes by component. Each executing agency commits to maintaining a program monitoring and evaluation system on the basis of which they will prepare the reports and data to be delivered to the Bank. The PEUs will have a specialist responsible for the functions involved in planning and monitoring their activities.
- 3.16 **Evaluation.** Achievement of the outcome and impact targets contained in the Results Matrix will be verified via a midterm evaluation, within 90 days after the end of the first 24 months of program execution, or once 50% of the loan proceeds have been disbursed, whichever occurs first, and a final evaluation of the program as part of the project completion report (PCR), to begin once the project reaches 95% disbursement and to be delivered within the following 90 days. These evaluations will provide an account of changes in the indicators in response to implementation of the proposed program in each of its different components.
- 3.17 Inputs for this report will be the regular status reports, the Results Matrix indicators, the audited financial statements, and the findings of the impact evaluation, which will provide an account of changes in the impact indicators via experimental evaluation, and changes in the outcome indicators via the before and after methodology. The final evaluation includes an ex post economic evaluation, which will calculate the actual cost-benefit ratio of the operation, replicating the cost-benefit analysis done for the ex ante economic analysis (see [monitoring and evaluation plan](#)).
- 3.18 The effectiveness of the proposed interventions and outputs will also be established for this final evaluation by randomly assigning an information processing task to judges or courts. This processing task will involve accessing relevant factsheets and data, to determine the judgment and the respective sentence imposed. This evaluation is based on primary and secondary outcomes. Primary outcomes correspond to the reasonableness and objectivity of the

judgment. Secondary outcomes correspond to postconviction recidivism and the crime rate. The intervention is expected to have immediate effects on the primary outcomes. For the secondary outcomes, a medium- and long-term effect is expected, since they correspond to general outcomes from improved administration of justice.

IV. ELIGIBILITY CRITERIA

- 4.1 **CCLIP eligibility criteria.** In compliance with all the eligibility criteria of the policy applicable to the CCLIP instrument (document GN-2246-13), and its Operational Guidelines (document OP-1622-3), notably the areas to be financed are included in the priorities set in the IDB Group Country Strategy with Colombia 2019-2022 (document GN-2972) in the strategic area of public management effectiveness, particularly the strategic objective of increasing the efficiency and quality of justice by improving the quality of justice. For the second operation to be approved: (i) at least two crosscutting services must have been implemented in the justice system, operate under standards that contribute to digitalization; and (ii) five of the seven activities included in Component 1 must be in implementation. For the third operation: (i) at least two information systems must have been added; and (ii) crosscutting services must have been implemented in judicial operators located in at least all the municipal categories defined by the National Planning Department (DNP). If more than three individual operations are envisaged, the eligibility requirements for subsequent operations will be based on achievement of the objectives set in the second and third operation.
- 4.2 **Compliance with the eligibility criteria of the first program under the CCLIP.** The first individual operation satisfies the eligibility conditions set in the Operational Guidelines (document OP-1622-3): (i) the institutional capacity assessment was done for both executing agencies, as provided in the operational guidelines (document OP-1622-3), and established that both institutions have the capacity to implement the program (see paragraph 3.1), as well as the measures for improving their fiduciary capacity based on the specified risks (see paragraph 2.8); (ii) the objective of the operation contributes to the CCLIP objective (see paragraph 1.29); (iii) belongs to the justice sector defined under the CCLIP; and (iv) the proposed loan for the first program includes specific actions to improve the organization, execution, and control capacities of both executing agencies in line with the recommendations from the institutional capacity analysis (see paragraph 3.1).

Development Effectiveness Matrix		
Summary		CO-L1256
I. Corporate and Country Priorities		
1. IDB Development Objectives		
Development Challenges & Cross-cutting Themes	-Productivity and Innovation -Climate Change and Environmental Sustainability -Institutional Capacity and the Rule of Law	
Country Development Results Indicators	-Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)* -Accountability institutions strengthened (#)* -Projects supporting innovation ecosystems (#)*	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2972	Increase the efficiency and quality of justice
Country Program Results Matrix	GN-3034	The intervention is included in the 2021 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution	9.1	
3.1 Program Diagnosis	2.4	
3.2 Proposed Interventions or Solutions	4.0	
3.3 Results Matrix Quality	2.7	
4. Ex ante Economic Analysis	8.0	
4.1 Program has an ERR/NPV, or key outcomes identified for CEA	3.0	
4.2 Identified and Quantified Benefits and Costs	3.0	
4.3 Reasonable Assumptions	1.0	
4.4 Sensitivity Analysis	0.0	
4.5 Consistency with results matrix	1.0	
5. Monitoring and Evaluation	9.3	
5.1 Monitoring Mechanisms	1.8	
5.2 Evaluation Plan	7.5	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium	
Identified risks have been rated for magnitude and likelihood	Yes	
Mitigation measures have been identified for major risks	Yes	
Mitigation measures have indicators for tracking their implementation	Yes	
Environmental & social risk classification	C	
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	ATN/FG-17933-CO, whose objctive is to support the activities for this operation.

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

Evaluability Note: The main objective of CLIPP is to support the Digital Transformation of Justice in Colombia with a medium- and long-term vision. The general objective of the first operation is to increase the effectiveness, efficiency, and transparency of the justice system in order to improve judicial processes and respond to citizens' legal needs. To achieve this goal, the loan focuses on three areas in which the project intervenes. The first seeks to promote more effective judicial management and processes, the second to improve the efficiency of judicial management and processes, and the third to render judicial processes more transparent.

The loan proposal presents a solid diagnosis of the problem, based on a limited resource capacity to respond to growing demand for judicial services. This is especially relevant given the COVID-19 pandemic, during which basic procedures to ensure access to key citizens' justice services must remain in place. The proposed solutions focus on improvements to organizational, technological, and managerial capacity, as well as improvements to digital justice. These solutions are appropriate for responding to the identified problems and their contributing factors. The results matrix is congruent with the vertical logic of the project. Outcome indicators are appropriately defined to measure the program's achievements and fulfillment of its objectives. All impact indicators are aligned with the overall objective.

The ex-ante economic analysis of the operation is appropriate, with reasonable and standard assumptions for this type of project and reasonable sensitivity analyses. It is based on the benefits of lower economic costs for citizens due to the reduction in procedural time as a result of improvements in judges' productivity. The analysis shows a positive net present value in the main scenario, as well as under several conditions included in the sensitivity analysis.

The monitoring and evaluation plan includes an impact evaluation in which a simple stratified randomization will be carried out. This evaluation will stratify municipalities using different baseline variables, such as case resolution rate, savings in the management of judicial processes, and procedural time, among others. Administrative data will be used for all baseline variables. The experiment will contribute to the literature by generating important evidence on the impact of information and the use of technology in judicial processes. The remaining indicators will be measured using a before-and-after method. Monitoring and evaluation activities will be carried out by the Superior Council of the Judiciary and the Ministry of Justice and Law in coordination with the Bank.

RESULTS MATRIX

Project objective:	The general objective of the first individual operation is to make the justice system more effective, efficient, and transparent in judicial processes and to better meet the judicial needs of citizens. To achieve this, the three specific objectives are: (i) more effective management of judicial processes; (ii) more efficient management of judicial processes; and (iii) more transparent management of judicial processes.
---------------------------	---

EXPECTED IMPACT

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
IMPACT 1. Improvement in the effectiveness and efficiency of the justice system's response to citizens										
Indicator 1 Judicial needs resolved by the justice system	Percentage	40%	2016 ¹	41%	41%	42%	42%	42%	Judicial needs resolved by the justice system/Total judicial needs. Source: Survey of Unmet Judicial Needs DNP-DANE	Within the context of the program and as envisaged in the monitoring and evaluation plan , a new survey is expected to be financed in order to track this indicator.

¹ Uses as a reference the latest study available on judicial needs in Colombia, conducted by DANE through the 2016 Quality of Life Survey.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
Indicator 2 Lower costs to citizens for access to justice	Dollar value	US\$3,733	2019	US\$3,733	US\$3,723	US\$3,713	US\$3,700	US\$3,700	Costs savings per process per citizen per year. ² Sources: Studies of process times, Annual Report of the Judicial Branch to the Congress of the Republic	Calculations in the ex ante economic evaluation (includes official sources of the judicial branch and data from studies by research centers in Colombia).

EXPECTED OUTCOMES

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments ²
OUTCOME 1: More effective management of judicial processes										
Indicator 1.1. Actual average outgoing cases (monthly) ³	Percentage	66%	2019 ⁴	66%	68%	70%	72%	72 ⁵ %	Actual average outgoing cases 2019/Actual average outgoing cases (monthly).	Statistics on management of offices in the judicial branch – Years 2015 to 2019 (September).

² Uses as a reference the costs to the government, taking into account that these are less than the monetary costs to citizens, which in turn are less than the nonmonetary costs (time spent, revictimization, stress, social costs and interpersonal relations costs, opportunity cost, etc.). The savings calculated over 10 years is US\$63.00 per judicial process.

³ The monthly average for 2015-2019 is used as the baseline.

⁴ Data as of September 2019 is used as the baseline.

⁵ Each percentage point is equal to 2,385 more processes per month.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments ²
Indicator 1.2. Improvement (reduction) in inventory of processes	Percentage	70%	2018	71%	72%	73%	74%	74%	<p>Source: UDAE statistics related to times and numbers of processes per court per year</p> <p>Final inventory/Actual incoming cases.⁶</p> <p>Source: UDAE statistics with times and number of</p>	<p>Coviello, D., Ichino, A., and Persico, N. (2015). The Inefficiency of Worker Time Use. Journal of the European Economic Association, 13(5), 906-994.</p> <p>Sadka J, Seira E & Woodruff C (2018). Information and Bargaining Through Agents: Experimental Evidence form México's Labor Courts. National Bureau of Economic Research. Working Paper 25137.</p>

⁶ The number of actual incoming cases may increase due to the success of the program, but improvement in productivity should improve the ratio with respect to the Total Inventory of procedures.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments ²
									processes per court per year.	
OUTCOME 2: More efficient management of judicial processes										
Indicator 2.1. Efficiency in notifications	Percentage	5%	2019	10%	20%	30%	40%	40%	Electronic Notifications/ Total Notifications Source: UDAE statistics with number and type of notifications	Coviello, D., Ichino, A., and Persico, N. (2014). Time Allocation and Task Juggling. American Economic Review, 104(2), 609-623.
Indicator 2.2. Alignment of processes with process times	Percentage points	1.88	2015	1.80	1.67	1.54	1.41	1.41	Actual times/ Process times (times) ⁷ Source: Superior Council of the Judiciary (CSJ). Study of Process Times	Chemin M. (2008). The Impact of the Judiciary on Entrepreneurship : Evaluation of Pakistan's "Access to Justice Program. Journal of Public Economics, 2009, vol. 93, 114-125. Chemin, M. (2009b). Do Judiciaries Matter for Development? Evidence from India, Journal of Comparative

⁷ The reference used is a summary record reviewed in the study by Corporación Excelencia en la Justicia (2016), Resultado del Estudio de Tiempos Procesales [Findings of the Process Times Study], Volume I.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments ²
										Economics, 37(2), 230-250.
OUTCOME 3: More transparent management of judicial processes										
Indicator 3.1. Digital processes	Percentage	1%	2019	10%	20%	40%	60%	60%	Number of visits, processes, processes tab/Number of total visits Source: Judicial Branch. Number of total visits to website www.ramajudicial.gov.co Google Analytics	Bhatnagar S & Singh N (2010). Assessing the Impact of E-Government: A Study of Projects in India. USC Annenberg School for Communication & Journalism, 2010, vol. 6, 109-127. De Michele, R. & Pierri, G. Transparency and e-Government. The impact of Compr.ar in Argentina. (2020) IDB Working Paper.
Indicator 3.2. Adoption of digitization	Percentage	5% ⁸	2019	5%	10%	15%	20%	20%	Number of dockets using digitalization processes/ Total incoming processes ⁹ Source: UDAE statistics on	Statistics on the management of offices in the judicial branch – Years 2015 to 2019 (September).

⁸ Subject to validation with the CSJ. Information taken based on referral from the land restitution courts at the national level.

⁹ This indicator measures adoption of the digitalized tools launched by new processes (actual incoming cases) entering the system.

Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments ²
									number and type of digitalized processes per court	

OUTPUTS

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
Component 1. Institutional strengthening of the justice system (institutional capital/governance model)										
1.1 Quality assurance model for the information systems designed, developed, and implemented	Model	0	2021	0	0	1	0	1	Judicial Branch Planning System (software)	
1.2 Justice system capacities model developed	Model	0	2021	0	0	1	0	1	Document	
1.3 Institutional architecture model for data management (including analytics) developed and implemented	Model	0	2021	0	0	1	0	1	Document	
1.4 Scoping and capacity planning strategy for justice system operations designed and implemented	Strategy	0	2021	0	1	0	0	1	Strategy (document)	
1.5 Strategy and tools for strengthening management processes associated with justice system monitoring, case tracking, and control	Strategy	0	2021	0	0	0	1	1	Strategy and tools (document and software)	
1.6 Support plans for prioritized projects implemented	Plans	0	2021	0	1	0	0	1	Plans (documents)	
1.7 Cybersecurity and information protection strategy designed and implemented	Strategy	0	2021	0	1	0	0	1	Strategy (document and software)	
Component 2. Strengthening of digital services and technology for justice (physical capital)										
Subcomponent 2.1. Strengthening for the digital transformation of justice										
2.1. Digital file modules and functionalities designed and implemented	Strategy	0	2021	0	0	1	0	1	Strategy (document and software)	
2.2. ICT infrastructure and services purchased	ICT infrastructure and services	0	2021	0	0	0	1	1	Infrastructure and services plan	

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
									(document and software)	
2.3. Business architecture model designed and implemented	Model	0	2021	0	1	0	0	1	Document	
2.4. Interoperability and integration model designed and implemented	Model	0	2021	0	1	0	0	1	Document	
2.5. Services for the oral justice system designed and implemented	Services	0	2021	0	0	1	0	1	Document and software	Services means everything related to tools that support oral justice operations, including the recording and transcription of hearings.
2.6. Solutions deployment strategy designed and executed	Strategy	0	2021	0	0	0	1	1	Strategy (document)	
Subcomponent 2.2. Strengthening of justice services offered by the executive branch										
2.7. Portfolio of justice services offered by the executive branch designed, developed, and implemented	Portfolio of services	0	2021	0	0	0	1	1	Ministry of Justice Planning System (document and software)	
Component 3. Strengthening of digital environment and culture (human capital)										
3.1. Change management and communications strategy designed, developed, and implemented	Strategy	0	2021	0	0	0	1	1	Judicial Branch Planning System (document)	To date, there is not enough information to incorporate CRF indicators. However, the proposal is to incorporate gender monitoring that includes training for justice system judicial and administrative

Outputs	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
										staff incorporate the gender perspective in dealing with crime victims.
3.2. Services to support the digital transformation of the justice system designed and implemented	Services	0	2021	0	0	1	0	1	Document	Support services are understood to mean all services related to supporting introduction (help desk, workshops, plans, and others).
3.3. Citizen services model designed, developed, and implemented	Model	0	2021	0	0	1	0	1	Document and software	
3.4. Support strategy and tools for introducing digital tools developed and implemented	Strategy	0	2021	0	0	1	0	1	Strategy and tools (document)	

FIDUCIARY AGREEMENTS AND REQUIREMENTS

COUNTRY:	Colombia
PROJECT:	CO-L1256
NAME:	Program for the Digital Transformation of Justice in Colombia (First Individual Operation)
EXECUTING AGENCY:	Republic of Colombia, acting through the Consejo Superior de la Judicatura [Superior Council of the Judiciary] (CSJ) and the Ministry of Justice and Law (MJD)
FIDUCIARY TEAM:	Patricio Crausaz, Financial Management Specialist; Eugenio Hillman, Procurement Specialist (VPC/FMP)

I. EXECUTIVE SUMMARY

- 1.1 The borrower will be the Republic of Colombia, and the program will be executed by the Consejo Superior de la Judicatura [Superior Council of the Judiciary] (CSJ) and the Ministry of Justice and Law (MJD), hereinafter the executing agencies. Each executing agency will have a program execution unit (PEU) dedicated exclusively to implementation of the loan operation with the support of the relevant functional areas of each entity.
- 1.2 The institutional capacity assessment concludes that the executing agencies have acceptable capacity for executing this operation but their technical/operational teams will require strengthening for the financial management and procurement activities of the loan. The institutional capacity analysis identified the fiduciary risk as low. However, given the lack of sufficient numbers of experienced staff, the fiduciary specialists identify it as medium.
- 1.3 Colombia's Public Financial Management System is a mature system that performs well in most areas. Additionally, the government contracting system is regarded as adequate and consistent with internationally accepted practices, and its use has been accepted for Bank lending.

II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 2.1 The executing agencies will assume technical and fiduciary responsibility for the program vis-à-vis the Bank and will implement it through the two PEUs.
- 2.2 The CSJ is the body constitutionally vested with the governance and overall administration of the judicial branch¹ in aspects related to the planning, programming, and execution of budgetary resources and administration of human resources.

¹ Political Constitution of 1991; Articles 256 and 257.

- 2.3 Performance of the administrative activities of the CSJ is the responsibility of the Dirección Ejecutiva de Administración Judicial [Executive Directorate of Judicial Administration] (DEAJ).
- 2.4 The Director of the DEAJ is responsible for executing the sector plan and policies of the judicial branch and thus authorizes expenditures, signing on behalf of the CSJ for the issuance of certificates and contracts. The DEAJ has units for Legal Assistance, Planning, Budget, Human Resources, and Data Processing. The Accounting Division reports to the Budget Unit
- 2.5 The CSJ's organizational structure requires strengthening to process procurements financed with local resources, and especially those financed by multilateral banks.
- 2.6 The MJD's functions include formulating government policy in the area of justice; coordinating relations among the executive branch, judicial branch, the public prosecutor's office, oversight agencies, and other public and private entities for the development and consolidation of public policy in the area of Colombian law and justice.
- 2.7 The Office of the Secretary-General of the MJD is responsible, inter alia, for: (i) directing program execution and financial matters; (ii) coordinating preparation of the Annual Cash Management Program; (iii) directing the programming, preparation, and execution of the entity's contracting and services and public works procurement plans; (iv) issuing instructions for tracking the execution of resources allocated to investment projects and formulating and monitoring the ministry's operational projects; (v) preparing the draft annual budget in coordination with the Planning Office; (vi) directing, coordinating, controlling, and evaluating activities related to the purchase, storage, custody, and distribution of the property and real estate necessary for the normal operations of the ministry; and (vii) consolidating the financial and budgetary execution statements of the respective fiscal year for the annual accountability process for the entities with relevant jurisdiction.
- 2.8 The MJD also has a Directorate of Information Technology and Management in Justice with responsibilities that include setting guidelines and processes for the technological infrastructure of the justice and law sector in the area of software, hardware, networks, and telecommunications, consistent with government parameters for their procurement, operation, specialized support, and maintenance.
- 2.9 The executing agencies have limited experience in applying the Bank's procurement policies and in using the harmonized documents, since this responsibility has been delegated to supporting units such as the PEUs.

III. EVALUATION OF FIDUCIARY RISK AND MITIGATION ACTIONS

- 3.1 Two medium fiduciary risks were identified, given the limited experience and knowledge relating to the execution of resources from multilateral lenders, in addition to few in-house fiduciary professional staff.

Table 1. Fiduciary risks of the project

Executing agency	Risk type	Risk	Rating	Mitigation action
MJD/CSJ	Fiduciary	The annual fiscal space required for program execution is not guaranteed.	Medium	A joint determination has been made with the national government that this program will be prioritized in the schedule of credit operations being prepared.
MJD/CSJ	Fiduciary	The CSJ and the MJD do not have sufficient staff with experience, knowledge, and mastery of the fiduciary requirements.	Medium	The capacity analysis shows that the entities that will execute the loan have limited prior experience. However, this risk will be mitigated through training and technical support.

IV. CONSIDERATIONS FOR THE SPECIAL PROVISIONS

- 4.1 Justifications of expenditures will use the exchange rate in effect on the date when funds from the special account in U.S. dollars are transferred to the account in Colombian pesos (monetization rate).
- 4.2 Each executing agency will request that the Ministry of Finance and Public Credit (MHCP) create the execution subunit for specifically targeted funds in the SIIF Nación 2 integrated financial information system and will break down the investment budget into the corresponding line items, associating them with the investment categories classified by components and distribution of funds as defined in the Costs and Financing Table of the Sole Annex to the contract.
- 4.3 Each executing agency will submit the multiyear execution plan (MEP), its annual work plan (AWP), procurement plan, and program cash flow and disbursements programming for year T on terms acceptable to the Bank by April 30 of year T-1.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 5.1 **Procurement of works, goods, and nonconsulting services.**² Contracts for works, goods, and nonconsulting services² will be executed using the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15). Processes subject to international competitive bidding (ICB) will be executed using the standard bidding documents (SBDs) issued by the Bank. Processes subject to national competitive bidding (NCB) will be executed using harmonized national bidding documents.
- 5.2 **Selection and contracting of consultants.** As established in the Policies for the Selection and Contracting of Consultants Financed by the Inter-American

² Policies for the Procurement of Goods and Works Financed by the IDB (document [GN-2349-15](#)), paragraph 1.16; Policies for the Selection and Contracting of Consultants Financed by the IDB (document [GN-2350-15](#)), paragraph 1.23. The borrower must prepare, and before negotiating the loan, submit to the Bank for its approval, a procurement plan acceptable to the Bank for the initial period of at least 18 months.

Development Bank (document GN-2350-15), using the standard request for proposals agreed upon with the Bank.

- 5.3 **Selection of individual consultants.** As established in document GN-2350-15 or subsequent updates.
- 5.4 **Recurring expenditures.** Financing is provided for recurring expenditures and operational expenses required to operate the program during its useful life, which may be financed with the program resources provided that they are included in the AWP approved by the Bank and will be executed following similar procedures of the executing agency.
- 5.5 **Retroactive financing.** The Bank may retroactively finance, as a charge against the loan proceeds, up to US\$10 million (10% of the proposed loan amount) in eligible expenditures incurred by the borrower prior to the loan approval date in the categories of goods, services, nonconsulting services, and consulting services, provided that requirements substantially similar to those of the loan contract have been met, including compliance with the IDB safeguard policies. Such expenditures must have been incurred on or after the project profile approval date of 25 February 2020, but not under any circumstances more than 18 months prior to the loan approval date.
- 5.6 **Use of the country procurement system.** The country procurement system approved by the Bank, Sistema de Compra y Contratación Pública de Colombia [Public Procurement and Contracting System of Colombia] (SCCPC), may be used for the procurement of:
- Contracts for public works, goods, and nonconsulting services in amounts below the threshold set for application of the ICB method;
 - Consulting firm contracts in amounts below the threshold set for application of the selection method for consulting firms with an international short list.
 - Individual consulting contracts.³
- 5.7 The following specific provisions of the SCCPC and its regulations will not be applicable and are excluded: (i) the SCCPC measures that prevent their submission after notification of the award; and (ii) direct contracting as described in the SCCPC.

Table 2. Ex post review thresholds (US\$)

Works	Goods	Consulting services
US\$10,000,000	US\$1,000,000	US\$200,000

*** Ex post review is subject to the provisions established in footnote 4. Procurement supervision.

³ Country procedures including country guidelines in the area of compensation for public sector consultants will be followed and indicated in the procurement plan.

Table 3. Table of thresholds (US\$)

Works		Goods		Consulting	
ICB*	NCB**	ICB	NCB	International publicity Consulting	Short list without restrictions as to nationality
US\$10 million or more	Between US\$350,000 and US\$10 million	US\$1 million or more	Between US\$50,000 and US\$1 million	US\$200,000 or more	US\$500,000 or less

* Simple works and off-the-shelf goods with a value below the amount for ICB may be procured using the Shopping method.

** Complex works or goods with a value below the range for NCB may be procured using the Shopping method.

- 5.8 **Procurement supervision.** Initially, the procurement supervision method will be ex ante. Ex post reviews will be conducted at least every 12 months as part of the financial audit of the project.
- 5.9 **Records and files.** The executing agencies will retain complete documentation of procurement processes, as applicable, in the fiscal or digital files as part of each entity's document management system.

VI. FINANCIAL MANAGEMENT

- 6.1 The financial management of the program will be conducted in accordance with the requirements of the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) or its updates and supplemental instructions and through use of the SIIF Nación 2 system.
- 6.2 **Programming and budget.** The budgetary space for execution of the program must be included in the each executing agency's investment budget. Budget execution will be controlled through the SIIF Nación 2 budget module. Each year the executing agencies will estimate the necessary budgetary space based on the AWP, procurement plan, and planning of cash outflows that have received the IDB's no objection. The PEUs will make the request for incorporation in the pro forma budget through the executing agency's budget unit.
- 6.3 **Accounting and financial reporting.** The executing agencies will use the SIIF Nación 2 accounting module and national regulations for the program accounting records. The special purpose financial statements required by the IDB will be prepared on cash accounting basis and automatically generated directly from the SIIF. The CSJ will prepare the program's consolidated financial statements using the accounting information produced by the MJD in the same system. Each entity will be responsible for signing the partial financial reports. The PEUs will be responsible to the IDB for the financial and accounting management of the program but will be supported by, and work jointly and in coordination with, each executing agency's relevant institutional units in discharging its responsibility.
- 6.4 **Disbursements and cash flow.** A special bank account in U.S. dollars will be opened at the banking institution identified by the MHCP in the program's name for each of the executing agencies, exclusively for management of the loan proceeds. Each executing agency may operate an account denominated in Colombian pesos for payments to the program's contractors and vendors. The Bank will make

- disbursements using the advance of funds modality for planned activities and procurements for periods of up to six months, although agreement may be reached on a different frequency. The programming of cash flow and disbursements prepared by each executing agency must be consistent with the AWP and procurement plan that has received the Bank's no objection and must cover a moving horizon of at least 12 months. Justifications (authentication) of advances of funds will be prepared using the exchange rate for the conversion of funds disbursed in U.S. dollars into Colombian pesos, i.e., the monetization rate.
- 6.5 **Special disbursement.** Once the conditions precedent relating to the legal report, designation of authorized signature, and opening of the designated account to receive the loan proceeds have been met, each executing agency may request and receive an initial disbursement of up to US\$150,000 to cover the costs of hiring the contractual staff of the PEUs and installing, outfitting, and operating them, in order to facilitate compliance with the initial conditions precedent.
- 6.6 **Internal control and internal audit.** The executing agencies have the MECI-1000:2014 Standard Internal Control Model for Colombian government entities up and running, based on the COSO world standard and the principles of self-regulation, self-management, self-control, and continuous improvement. It is suggested that the Internal Control Office (OCI) in the case of the MJD, and the Internal Audit Unit (UAI) in the case of the CSJ, provide advisory services and support to the various program execution processes and include specific annual audits of the execution of the operation in their annual programming.
- 6.7 **External control and reports.** The program's special purpose financial statements will be audited each year by an independent private auditing firm acceptable to the Bank. The firm will be contracted by the CSJ. The auditing services will be financed with the loan proceeds. The program's external audit reports will be delivered to the Bank no later than 120 days after the close of each fiscal year and after the date of the last disbursement, in accordance with the procedures and terms of reference previously agreed upon with the Bank. If the Office of the General Comptroller of the Republic (CGR) becomes eligible to audit IDB-financed projects during the execution period, it may be considered for auditing this program. According to the Bank's current policy on information access and disclosure, the project's audited financial statements will be published in the Bank's systems.
- 6.8 **Financial supervision plan.** The Bank's financial specialist will conduct at least one on-site review each year, as well as desk reviews of the audited financial statements. The auditor will determine whether the funds have been executed in accordance with the Bank's fiduciary policies and procedures and the conditions stipulated in the respective program Operating Regulations (program [OR I](#) and [OR II](#)). The fiduciary supervision visits on financial management will include verifying the fiduciary arrangements used for project administration and tracking the implementation of recommendations issued by the independent audit firm, as applicable.
- 6.9 **Other financial management agreements and requirements.** There are no agreements in addition to those mentioned previously. However, the fiduciary agreements and requirements included in this annex may be modified as the program progresses, based on the risk analysis updates and the institutional capacity assessment performed during program execution.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Colombia. Conditional Credit Line for Investment Projects (CCLIP)
Program for the Digital Transformation of Justice in Colombia
(CO-O0007)

The Board of Executive Directors

RESOLVES:

1. To authorize the President of the Bank, or such representative as he shall designate, to enter into such agreement or agreements as may be necessary with the Republic of Colombia to establish the Conditional Credit Line for Investment Projects (CCLIP) Program for the Digital Transformation of Justice in Colombia (CO-O0007) (the "Line") for an amount of up to US\$500,000,000 chargeable to the resources of the Ordinary Capital of the Bank.

2. To establish that the resources allocated to the Line shall be used to finance individual operations under the Line, in accordance with: (a) the objectives and regulations of the Conditional Credit Line for Investment Projects approved by Resolution DE-58/03, as amended by Resolutions DE-10/07, DE-164/07, DE-86/16 and DE-98/19; (b) the provisions set forth in documents GN-2564-3 and GN-2246-13; and (c) the terms and conditions included in the proposal for the corresponding individual operation.

(Adopted on ____ 2021)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/21

Colombia. Loan ____/OC-CO to the Republic of Colombia. Program for the Digital Transformation of Justice in Colombia. First Individual Operation under the Conditional Credit Line for Investment Projects (CCLIP) CO-O0007

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Colombia, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Program for the Digital Transformation of Justice in Colombia, which constitutes the first individual operation under the Conditional Credit Line for Investment Projects (CCLIP) CO-O0007, approved on _____ 2021 by Resolution DE-___/21. Such financing will be for the amount of up to US\$100,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____ 2021)