

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**URUGUAY**

**INTEGRATED LOCAL MANAGEMENT PROGRAM  
FOR CITIZEN SECURITY**

**(UR-L1062)**

**LOAN PROPOSAL**

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ELECTRONIC LINKS	
<b>REQUIRED</b>	
1.	Annual work plan (AWP) (plan of activities for the first disbursement and the first 18 months of implementation) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842859">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842859</a>
2.	Monitoring and evaluation arrangements <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36840937">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36840937</a>
3.	Full procurement plan <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841266">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841266</a>
4.	Safeguard form <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842921">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842921</a>
<b>OPTIONAL</b>	
1.	Program itemized budget <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841888">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841888</a>
2.	Operating Regulations (OR) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36840555">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36840555</a>
3.	Multiyear execution plan <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841355">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841355</a>
4.	Vertical logic and empirical evidence as the basis for the interventions <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841424">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841424</a>
5.	In-depth qualitative interviews and mapping of social capital in the target police precincts <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842902">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842902</a>
6.	Victimization survey as program baseline <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36843232">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36843232</a>
7.	Diagnostic assessment of community policing and criminal investigation work <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842896">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842896</a>
8.	Program cost-benefit analysis <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841458">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841458</a>
9.	Calculation table for the program cost-benefit analysis Component I: Problem-oriented policing model <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841438">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841438</a>  Component II: Social network for secondary and tertiary prevention of juvenile violence <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841442">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841442</a>

10. Comprehensive Approach Model for social inclusion of adolescents who exhibit high risk factors associated with violence and crime  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36841394>
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<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=36842248>

## ABBREVIATIONS

DNI	Dirección Nacional de Infamilia [National Directorate of In-Familia]
ICAS	Institutional Capacity Assessment System
INAU	Instituto del Niño y del Adolescente del Uruguay [Uruguay Institute for Children and Adolescents]
INEFOP	Instituto Nacional de Empleo y Formación Profesional [National Institute for Employment and Vocational Training]
JND	Junta Nacional de Drogas [National Drug Council]
MEC	Ministry of Education and Culture
MI	Ministry of the Interior
MIDES	Ministry of Social Development
MS	Ministry of Health
MTSS	Ministry of Labor and Social Security
NGO	Nongovernmental organization
OPP	Oficina de Planeamiento y Presupuesto [Office of Planning and Budget]
OR	Operating Regulations
OVC	Observatorio sobre Violencia y Criminalidad [Observatory on Violence and Crime] of the Ministry of the Interior
PEU	Program execution unit
PMR	Project monitoring report

## PROJECT SUMMARY

### URUGUAY INTEGRATED LOCAL MANAGEMENT PROGRAM FOR CITIZEN SECURITY (UR-L1062)

Financial Terms and Conditions					
Borrower: Eastern Republic of Uruguay  Executing agency: Ministry of the Interior			Flexible Financing Facility*		
			Amortization period:		25 years
			Weighted average life:		15.25 years
			Original disbursement period:		4 years
Source	Amount (US\$)	%	Grace period:		5.5 years
			Inspection and supervision fee:		**
IDB (OC)	5,000,000	57%	Interest rate:		LIBOR-based
			Credit fee:		**
Local	2,153,741	43%	Currency of approval:		U.S. dollars from the
Total	7,153,741	100%			Bank's Ordinary Capital
Project at a Glance					
The general objective of this program is to help reduce violent crime in the city of Montevideo through specific prevention actions in three territories and their vulnerable populations. The specific objectives are: (i) to make the police force more effective in crime prevention and clearance in the selected territories; and (ii) to enhance the rehabilitation of juveniles who exhibit high risk factors associated with violence and crime in the program target areas.					
<b>Contractual conditions precedent to the first disbursement:</b> (i) a program execution unit (PEU) will be established within the Ministry of the Interior, staffed with personnel having profiles previously agreed upon with the Bank (paragraph 3.2); and (ii) the program Operating Regulations will have entered into force on terms previously agreed upon with the Bank (paragraph 3.4). The signature of a coexecution agreement between the Ministry of the Interior and the Ministry of Social Development (MIDES) will be a condition precedent for execution of Component II (see paragraph 3.2).					
<b>Retroactive financing and recognition of expenditures.</b> The Bank can finance retroactively expenditures made on or after 1 June 2012 to pay consulting fees for up to US\$100,000, for PEU staff and domestic and international advisory services specializing in community policing. The Bank can also recognize expenditures against the local contribution made on or after 8 March 2012 to build the precinct 25 building and outfit it with computer and communications equipment and structured cabling for up to US\$1,100,000. This retroactive financing and recognition of expenditures against the local contribution is justified by the Ministry's need for the program and the priority it accords to it. Those expenditures will be financed retroactively and/or recognized against the local contribution, provided they have followed procurement procedures for works, goods, and consulting services that are consistent with Bank procurement policies.					
<b>Exceptions to Bank policies:</b> None.					
<b>Procurement:</b> Project procurements will be conducted in accordance with Bank policies (documents GN-2349-9 and GN-2350-9).					
<b>Project qualifies as:</b> SEQ [ ] PTI [X] Sector [X] Geographic [ ] Headcount [ ]					

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

\*\* 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 the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. DESCRIPTION AND RESULTS MONITORING

### A. Background, problems addressed, and rationale

- 1.1 Public safety conditions in Uruguay have been deteriorating, a fact confirmed both by statistics and by perceptions of fear and victimization. In the period 2005-2010 the homicide rate per 100,000 inhabitants rose from 5.7 to 6.1 nationwide, and from 6.4 to 8.0 in Montevideo; incidences of violent robbery were up by 120% (from 25.3 to 55.6 per 10,000 inhabitants); the rate of domestic violence increased 223% (from 207 to 462 per 100,000 inhabitants); and the prison population grew 22%. In terms of perceptions, 69% of Montevideo residents believe that crime in the country has increased in the past year; 64% consider it likely or highly likely that they will be the victim of a crime in the next few months; 52% feel that their neighborhood is unsafe or very unsafe; and 71% consider it likely or highly likely that they will be assaulted in the street.<sup>1</sup>
- 1.2 The phenomenon is concentrated in terms of both geography and age group. Montevideo, with 39.8% of the national population, accounted for 58% of crimes nationwide and 83.61% of violent robberies in 2010. In 2011, 25% of the population outside the capital city fell victim to at least one crime, whereas the rate in Montevideo was 45%. This is similar to the trend for 2005-2010, when 19% of the population of Montevideo were victims of violent robbery, while the equivalent figure outside the capital was 3%.
- 1.3 The concentration by age group is among young males up to 24 years of age, and particularly juveniles under 18 years, who exhibit a high incidence of violent crimes. In 2007, 10% of homicides in the country were committed by juveniles; in 2010, that figure had risen to 26%.<sup>2</sup> In 2010, 53% of violent robberies committed in Montevideo and investigated judicially were attributable to juveniles (who represent 24% of the city's population). At present, there are approximately 900 juveniles under age 18 in the criminal justice system nationwide, half of whom are serving prison sentences and the remainder are serving alternative penalties. Over a five-year period, the proportion of juvenile victims of violent robbery rose from 15% to 23%.
- 1.4 Two phenomena influencing the growth of violent crime that this program seeks to address are: (i) the ineffectiveness of the National Police as a deterrent to violent crime, reflected in weak capacity for ex ante community prevention work and ex post investigation of criminal activity; and (ii) the weakness of existing social programs for secondary and tertiary prevention, which are not adapted for dealing with population groups who have a high concentration of risk factors for violence and/or have already run afoul of criminal laws.

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<sup>1</sup> Statistics of the Observatory on Violence and Crime (OVC) of the Ministry of the Interior, 2011. Previous measurements of perceptions of insecurity (2009) yielded figures that were 10% lower.

<sup>2</sup> OVC official figures. In Brazil, this age group accounted for 11% of homicides in 2009.

- 1.5 To address this situation, the Government of Uruguay has taken a number of actions now under way, including: (i) approval of a new legal framework for the Uruguay Institute for Children and Adolescents (INAU), which creates a new criminal justice system for adolescents; (ii) budgetary and technological strengthening of the National Police, including average annual salary increases of 15 to 18% and the purchase of equipment, together with management commitments (greater control over absenteeism); (iii) functional restructuring of the criminal investigation area, assigning regional chiefs and investigative teams to four zones of Montevideo; (iv) deployment of a crime control strategy that involves joint operations with the justice system in the most crime-prone areas of Montevideo; (v) identification of teens and young people who are neither studying nor working as the priority population group for attention from social-sector authorities; and (vi) creation of an interagency forum for coordination of activities targeting the juvenile population linked to crime and violence, involving the Ministry of the Interior, the Ministry of Education and Culture (MEC), the Municipal Government of Montevideo (IMM), the National Institute for Employment and Vocational Training (INEFOP) the Ministry of Labor and Social Security (MTSS), the INAU, the National Youth Institute (INJU), the National Drug Council (JND), and the Ministry of Health (MS).

**B. The problem and its causes**

- 1.6 In view of all this, the main problem to be addressed by this program will be the rise in violent crime, with its high geographic concentration and increasing concentration by age group. Specifically, the program will address: (i) the need for more effective policing as a deterrent to crime, based on closer relationships with the community and on criminal investigation; (ii) the weakness of social programs for secondary and tertiary prevention of violence, particularly in terms of the group of most vulnerable juveniles and juvenile offenders; and (iii) the lack of coordination of information systems for social prevention and crime control. Some of the causal factors underlying this state of affairs are described below.
- 1.7 **Policing is ineffective in deterring crime.**<sup>3</sup> Several factors contribute to this: (i) Inadequate geographic distribution of police personnel within the country: around 25% of the 26,883-strong police force is engaged in office work, some of it administrative, keeping a greater number of officers from prevention work in areas with the highest crime rates.<sup>4</sup> Moreover, there are shortcomings within each police precinct in the distribution of personnel, which does not reflect the “crime map:”

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<sup>3</sup> A diagnostic assessment of the National Police (Blanco, 2012) included an analysis of its effectiveness, using as indicators: (i) crime clearance rates; (ii) public confidence in the honesty of the National Police; (iii) the “dark figure” of unreported crime; and (iv) the street presence of the police. These indicators form part of the results matrix to be used for the present program.

<sup>4</sup> The ratio of administrative personnel in the New York Police Department is 17%; the equivalent rate in California is 20%, and in Canada, 21%. Empirical evidence indicates the importance of maintaining a police presence on the streets in sufficient numbers with effective targeting criteria. Sherman, L. W., (1990) “Police crackdowns: initial and residual deterrence.” *Chicago Journals, Crime and Justice*, vol. 12, pp. 1-48.



although 70% of crimes occur between 6 p.m. and 6 a.m., the 24 Montevideo police precincts deploy the greatest numbers of officers between 6 a.m. and 2 p.m.<sup>5</sup> (ii) Weaknesses of the National Police in terms of analysis and investigation. Police officers assigned to local precincts do not receive sufficient academic training in crime data gathering, analysis, and processing or in criminal investigation once a crime is committed, with the result that the crime clearance rate is low (only 14% of the violent robberies in Montevideo during 2011 had been cleared).<sup>6</sup> and (iii) There is also little in the way of community policing, and officers assigned to this work receive insufficient academic training (they represent less than 10% of personnel in precincts 15, 16, and 19 and receive only two weeks of training, compared to the international average of six months). This makes it difficult to forge bonds of trust with the community as needed for effective prevention work that can address the earliest manifestations of crime.<sup>7</sup>

- 1.8 The circumstances described in paragraph 1.7, combined with the inadequate physical and technological infrastructure of the police stations, which undermines the ability to provide effective service to the public and engage the citizenry, is reflected in public perceptions in Montevideo, where 53% of residents believe the police make little or no effort to combat crime.<sup>8</sup>
- 1.9 **Social programs for secondary and tertiary crime prevention among juveniles have weaknesses.**<sup>9</sup> Several factors contribute to this: (i) Insufficient coverage of specialized social services in the country address risk factors that, according to empirical evidence, contribute to violent behavior, in particular: school dropout rates (37.6% of juveniles in the criminal justice system in Montevideo have not

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<sup>5</sup> The problem is not just the overall quantity of police officers but the quality of how they are distributed in terms of geography and critical tasks. Uruguay has a ratio of one police officer for every 167 inhabitants (in Montevideo, the ratio is 1 to 187), well above the international average (217 in Spain, 246 in New York, and 282 in Chile).

<sup>6</sup> OCV data (2011). Empirical evidence for the importance of statistical analysis in police training and deployment can be found in R. Soares, R. Viveiros, I. (2010) "Organization and information in the fight against crime: an evaluation of the integration of police forces in the state of Minas Gerais, Brazil." IZA Discussion Paper 5270. (For details, see optional link 4, "Vertical logic and empirical evidence as the basis for the interventions.")

<sup>7</sup> Training in community-oriented policing has shown promising results in reducing crime. See Thomas, G. R. (1998) "Coordinated Agency Network (CAN), a juvenile supervision project." San Diego Police Department. Herman Goldstein Award Submission; Mazeolle, L. et al. (1999) "Problem-oriented policing in public housing: final report of the Jersey City Project." National Institute of Justice. (For details, see optional link 4.)

<sup>8</sup> The figure on the perception of police work is similar to the regional average in Latin America, and the honesty rating is higher than the regional average: 35% felt that the level of police honesty was good or very good and 18% poor or very poor; 50% considered the police's rapport with citizens to be good or very good. Equipos Mori (2012).

<sup>9</sup> The diagnostic assessment for program preparation included an inventory of precincts 15, 16, and 19, mapping existing social programs and social capital and conducting in-depth interviews with 55 young offenders, as well as three focus groups involving social workers. Secondary prevention focuses on groups with high social vulnerability, while tertiary prevention targets offenders (charged, tried, or convicted).

completed primary school, and 89% are two or more years behind in their schooling); (b) treatment for addiction (roughly 30% of juvenile justice cases in Montevideo in 2009 involved teens who had developed some problem consumption of psychoactive substances but coverage for their treatment was inadequate);<sup>10</sup> (c) poor family systems (45% of juvenile offenders come from incomplete family units with only one of the parents);<sup>11</sup> and (d) lack of social opportunities (48% of juveniles entering the criminal justice system in Montevideo neither study nor work, whereas the average for the city's young population in general is 17%).<sup>12</sup> (ii) No methodologies to provide personalized attention to juveniles as soon as they run afoul of the police and/or criminal justice system, so they tend to stay in the system once they enter (in police reports that recorded prior actions, it was found that in 79% of cases the juvenile had had previous contacts with the police).<sup>13</sup> This continues into adulthood, where again there are no tertiary preventive services: recidivism rates are high (53% of adults standing trial in 2010-2011 were repeat offenders, and 43% were between 18 and 25 years of age).<sup>14</sup>

- 1.10 **Information systems on social prevention services and crime control are not linked.**<sup>15</sup> Because there is no reliable, integrated information for joint preventive work by the police and social services, specific programs for this at-risk population group are not coordinated with other government social programs, with the result that situations of conflict with the law that could be forestalled by early intervention

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<sup>10</sup> Services of the "Yellow Portal" of the National Drug Council and the in-patient beds available for young addicts are insufficient both in Montevideo as a whole and in the target neighborhoods (Herrera and Salas, 2012; Lemez, 2012).

<sup>11</sup> The SETAF family services and SOCAT guidance, consultation, and territorial coordination services networks, which work locally to strengthen family units, have no specific activities for juvenile offenders.

<sup>12</sup> The training programs of INEFOP, for example, involved 416 socially vulnerable young people in Montevideo precincts 15, 16, and 19 during 2010, but were not targeted specifically to the 700 juveniles who committed thefts and robberies in those three precincts. INEFOP has the resources to extend that coverage (86% of juveniles who took its courses in 2010 found employment), but it requires specific demand from other institutions of government and/or civil society to orient its services. UNICEF (2009) "Justicia penal juvenil en Montevideo y Uruguay. Realidad, perspectivas y cambios" [Juvenile criminal justice in Montevideo and Uruguay. Realities, outlook, and changes].

<sup>13</sup> At the precinct level there is no policy for referring juveniles for treatment on the basis of a diagnostic assessment of their risk factors performed by specialized personnel. Programs like "Communities That Care," which identify these risk factors early through joint work by the police and social workers, show evidence of an impact in reducing crime. Feinberg et al, (2007) "Effects of the Communities That Care model in Pennsylvania on youth risk and problem behaviors." *Prevention Science*, 8, pp. 261-70.

<sup>14</sup> The Ministry of the Interior is working on the reform of adult penitentiaries with funding from the European Union, so that initiative will not be addressed in this program.

<sup>15</sup> Palummo (2012) "Informe de la situación estadística del sistema de justicia penal juvenil" [Statistical status report on the juvenile criminal justice system]; and Trujillo (2012) "Propuesta de prevención secundaria y terciaria y mejoramiento de la información" [Proposal for secondary and tertiary prevention and information enhancement]; studies prepared specially as part of the diagnostic assessment for this program.

tend to perpetuate themselves.<sup>16</sup> There is no effective sharing of data among the Police Management System, the Observatory on Crime and Violence (of the Ministry of the Interior), the Child Information System and the National Registry of Adolescent Offenders (of INAU), the Statistical Yearbook of Justice System (of the Supreme Court), the Social Observatory, the Master Registry of Beneficiaries, and the Integrated Social Information System (of the Ministry of Social Development). In fact, there is still no single database combining information on crime from the police, the courts, and the juvenile justice system, as well as information from social sector agencies, that could facilitate deployment of prevention mechanisms. Moreover, the system has no unified conceptual criteria for recording data on juvenile offenders, which poses an obstacle to more personalized monitoring and attention for these persons.<sup>17</sup>

### **C. Rationale and intervention strategy**

- 1.11 In this context, the Government of Uruguay has requested Bank support to supplement the efforts thus far, through this program which will pool efforts in the policing area with those in the social area for an interagency approach targeting both: (i) the highest-crime neighborhoods in Montevideo; and (ii) the juvenile population with the greatest vulnerability and the highest concentration of risk factors associated with crime and violence. In targeting territories and populations with high crime rates, the intent is to develop a Comprehensive Approach Model that can be tested and replicated in the rest of the country as a way of improving crime rates and enhancing the perception of neighborhood security. Regional and nonregional empirical evidence has been reviewed from more than 50 similar interventions (compiled specifically for each action proposed in optional link 4); it recommends two simultaneous lines of action in such cases: (i) local community-based policing geared toward solving problems, and backed by sound crime and criminological information; and (ii) comprehensive social and education programs focused on early prevention of violence and intensive services for the affected

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<sup>16</sup> The importance of coordinating information systems as a basis for crime prevention is highlighted in Weisburd, D., Morris, N. A., Groff, E. R. (2009) "Hot spots of juvenile crime: a longitudinal study of arrest incidents at street segments in Seattle, Washington," *Journal of Quantitative Criminology*, vol. 25, pp. 443-467; Sherman, L. W., Gartin, P. R., Buerger, M. E. (1989) "Hot spots of predatory crime: routine activities and the criminology of place," *Criminology*, vol. 27, number 1.

<sup>17</sup> The different sources of information use categories that are difficult to compare: "number of arrests," "number of police interventions," "number of court cases," etc. Palummo (2012).

population.<sup>18</sup> For this, the coordinated action agreed upon by the Ministry of the Interior and the Ministry of Social Development (MIDES) is of strategic importance.

- 1.12 The initial basis of territorial interventions will be the areas covered by Montevideo police precincts 15, 16, and 19 (located in the eastern and western parts of the city, with a total of 285,000 inhabitants), seeking to address the causes identified in paragraph 1.6. The studies conducted have included an inventory of social capital and assistance programs, focus groups among community organizations, and a victimization survey. The three precincts were selected on the grounds that they are located in the worst quintile of all Montevideo in relation to three factors: (i) levels of social vulnerability (between 4% and 6% of the 13 to 17 age group are indigent, and more than 50% are poor); (ii) concentration of crime in general (the three precincts together account for around 25% of the most violent crimes in Montevideo, including robberies, homicide, and domestic violence). In the first half of 2011, one in every three robberies and murders in Montevideo was committed in one of the three precincts; and (iii) concentration of juvenile crime in particular. The three precincts account for 29% of all juvenile crimes in the country. Juveniles also are responsible for a high proportion of all crimes committed in these districts: in Precinct 15, 41% of all violent robberies were committed by juveniles; in Precinct 16, 47%; and in Precinct 19, 43%.
- 1.13 On the policing front, the program will provide professional training for police officers in problem solving and community policing.<sup>19</sup> Trained officers will then be assigned functions in the police precincts covered by the program, which will be restructured operationally in line with international best practices. Based on empirical evidence which indicates the importance of addressing the social and cultural context when undertaking experiments of this kind, special attention will be paid to the Canelones community policing model and the National Community Policing Plan prepared by the National Police Academy, which constitutes a practical approach to police work based on quality indicators.<sup>20</sup> Simultaneously with

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<sup>18</sup> There is scientific evidence from the subregion of programs that combine community police work based on crime information with social programs for early attention to risk factors for violence which, appropriately adapted, may be applicable to Uruguay: (i) The “Fica Vivo” [“Staying Alive”] program in Belo Horizonte reduced homicides by 69%, according to its quasi-experimental evaluation (Beato Filho CC. “Impact of the Staying Alive Program on the reduction of homicides in a community in Belo Horizonte.” *Revista Saude Publica*. 2010, [www.scielo.br/rsp](http://www.scielo.br/rsp)); (ii) The Diadema Security Program, winner of the Good Practices Competition in 2006, produced an 85.71% decline in homicides of young people between the ages of 16 and 20, and a 44% decline in the number of teens sent to juvenile detention centers between 2001 and 2005; (iii) a program in the city of Canoas (RS) reduced homicide rates by 86% from 2009 to 2011, and was one of the winners of the IDB/Universidad Chile/OSI Good Practices Competition in 2012.

<sup>19</sup> The term “problem-oriented policing” is taken from Goldstein, H. (1979) “Improving policing: a problem-oriented approach.” *Crime and Delinquency*. Better relations with the community is not an end in itself, but rather a way of solving problems by considering the underlying causes and not merely crimes or isolated events (see optional link 4, “Vertical logic and empirical evidence as the basis for the interventions.”).

<sup>20</sup> Precincts 1 and 2 have ISO 9001 certification. This initiative was recognized in 2009 by the Office of Planning and Budget (OPP) with the “Quality in Citizen Services Award” (Blanco, Javiera, 2012).

- community policing, education in criminal research will be strengthened, training the police to: (i) gather and analyze information on crimes; (ii) deploy prevention operations based on crime maps; and (iii) preserve evidence, in order to increase the clearance rate and produce a deterrent effect.<sup>21</sup>
- 1.14 On the social front, a Comprehensive Approach Model will be implemented (see optional link 10) for 680 juveniles living in the target police districts who are presumed to have committed violent crimes, so that treatment mechanisms can be brought to bear early.<sup>22</sup> The Comprehensive Approach Model will be triggered as soon as the juvenile comes into contact with the local police station, where his profile will be assessed, and his treatment needs identified. The juvenile will then be referred to an educational counselor who will prepare a work plan that examines, in particular, links to his family group and social setting and the support networks available. Personalized and sustained counseling will be offered along with support services in addition to the regular public program, taking into particular account the dimensions identified in the territorial diagnostic studies, namely: (i) cognitive and intellectual development that will help the juvenile to make up for lost educational ground and achieve appropriate reintegration into school; (ii) development of skills that will help the juvenile find work as of age 16; (iii) sports, recreational, and cultural activities that will encourage the juveniles to remain in the rest of the reintegration programs; and (iv) prevention and therapeutic care in situations of family violence, gender violence, and addictions.
- 1.15 The personalized care services will be provided initially by nongovernmental organizations (NGOs) specially selected and monitored by the Ministry of the Interior and MIDES, with a view to sustainably engaging juveniles in existing local social services, in particular those for educational inclusion (“Bridge Program” and “Community Classrooms”), preparing them for the workplace (“pro-youth” courses) and social and educational inclusion programs (Juvenile Centers and the National Drug Council). The system operators, both public and private, will receive ongoing training in the personalized monitoring of juveniles, supported through development of an information system based on key indicators from multiple sources. The Comprehensive Approach Model will provide a ratio of one

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<sup>21</sup> The literature shows that, when effective criminal investigation measures are combined with technological modernization of police work (as will be done in Uruguay), this increases police efficiency in terms of clearance rates for property crimes and violent crimes. Garicano, L. and Heaton, P. (2010) “Information technology, organization, and productivity in the public sector: evidence from police departments.” *Journal of Labor Economics*, vol. 28, no. 1, pp. 167-201. Crime analysis and work in hotspots has also yielded evidence that can be applied in Uruguay: Clarke, R., and Eck, J. (2008) “Crime analysis for problem solvers in 60 small steps.” Center for Problem Oriented Policing. Department of Justice, 2008; Blanco, Javiera (2011) “Evaluación sobre Plan Cuadrante de Carabineros y de la Policía Nacional de Colombia” [Evaluation of the Quadrant Plan of the Carabineros and National Police of Colombia]. Fundación Paz Ciudadana.

<sup>22</sup> The beneficiary population is determined from an estimate of the average annual number of teens with a connection to selected precincts for alleged violent crimes (homicide, robbery, and assault). According to 2011 crime statistics, this population is equivalent to 100% of juveniles in such circumstances residing in the targeted precincts; 60% of offenders lived in the precincts where they committed their crimes (Trujillo, 2012).

- educational counselor for every 18 juveniles, and will support their work with individual and family psychological counseling and academic and recreational support, with a maximum of eight and a minimum of two hours of daily intervention, based on the most meaningful recommendations from international empirical evidence.<sup>23</sup>
- 1.16 The program takes into account the contributions and outcomes of the Program for Citizen Safety: Crime and Violence Prevention (loan 1096/OC-UR)<sup>24</sup> and will coordinate actions strategically with other Bank-financed interventions in the sector. Through MIDES and the In-Familia program, activities will be coordinated with the program to support the National Strategy for Children and Adolescents (ENIA) Support Program (loan 2414/OC-UR) and the National Family Services Strategy. Under the Program to Support e-Government Management in Uruguay II (2591/OC-UR), US\$1.35 million will be used to install mobile devices for police officers in 200 patrol cars for electronic reporting of crimes at the scene, giving priority to the police districts covered by this operation. Under the Social and Community Integration Program for Youth at Risk (operation ATN/JF-13193-UR), US\$950,000 contributed by the Japan International Cooperation Fund and local counterpart will be used to strengthen education and rehabilitation programs for 120 juvenile offenders while they are serving their sentence and after their release. The Comprehensive Approach Model also takes into account the proposed integrated services system for juveniles under the Social Inclusion and Opportunities for Youth in Rio De Janeiro (loan BR-L1287). Moreover, the Emerging and Sustainable Cities Initiative will work with the Municipal Government of Montevideo to coordinate social prevention activities.
- 1.17 The proposed program is consistent with the Bank's country strategy with Uruguay 2010-2015 (document GN-2626), which in paragraph 3.29 establishes as a priority the "development and implementation of targeted actions to prevent violence, including juvenile and domestic violence, as well as support for the creation of a community policing model." The operation is included in the 2012 Operational Program Report (document GN-2661-4), and is aligned with the GCI-9 targets in its focus on poverty, lowering homicide rates, and developing violence prevention

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<sup>23</sup> See optional links 4 and 10, vertical logic, literature review, and intervention model methodology. Empirical evidence highlights the importance of tutors and positive role models in the treatment of young offenders. Lipsey, M. and Wilson, D. (1998) "Effective interventions for serious juvenile offenders: a synthesis of research." *Serious and violent juvenile offenders: risk factors and successful interventions*. Sage Publications; Redondo, S., Sanchez-Meca, J., and Garrido, V. (1999). See also Cheng, T. L. et al. (2008); Karcher, M. J. (2008); DuBois, D. (2002); and Keating, L. (2002). The program also draws upon experience gained under Chile's "Programa 24 Horas/Vida Nueva" [24 Hours/New Life Program] (Blanco, 2012), and the youth intervention model of operation BR-L1287.

<sup>24</sup> The first citizen security loan to be executed by the IDB. When work began (1999), the baseline indicated that confidence in the police in the departments of Montevideo and Canelones averaged 30%; this index rose to 39% by the end of the program (project completion report, 2004). Very important lessons were learned about the strategic use of information on crime and violence, combined with socioeconomic information and the involvement of civil society.

plans at the city level, and in its support to a small country. Consistent with the Operational Guidelines for Program Design and Execution in the Area of Civic Coexistence and Public Safety (document GN-2535) and the Action Plan to Support the Countries in their Efforts to Fight Corruption and Foster Transparency (document GN-2540), the Organization of American States (OAS) will contribute its expertise in the preparation and implementation of the Police Ethics Code.

**D. Objectives, components, and costs**

- 1.18 The general objective of this program is to help reduce violent crime in the city of Montevideo through targeted prevention and control actions in three territories and their vulnerable populations. The specific objectives are: (i) to make the police force more effective in crime prevention and clearance in the selected territories; and (ii) to enhance the rehabilitation of juveniles between the ages of 12 and 17 who exhibit high risk factors associated with violent behavior and crime in the program target areas. Table 1 illustrates the correspondence between the components, the problems to be addressed, and the expected outcomes of the program.
- 1.19 **Component I. Development of a problem-oriented policing model (US\$1,885,000).** The objective of this component is to make the police more effective at crime prevention and investigation in the selected territories, through the following actions: (i) development of academic program content, in both classroom and virtual formats, and protocols for community policing and crime investigation and analysis; (ii) training for 375 police personnel in community policing, including study at centers of excellence abroad for the 17 best qualified officers, with heavy emphasis on management techniques;<sup>25</sup> (iii) training for 375 police personnel in crime investigation and analysis, including study at centers of excellence abroad for the 17 best qualified officers, with heavy emphasis on management techniques; (iv) strengthening of the technological infrastructure and teaching body of the National Police Academy through partnerships with international centers of excellence in the areas of community relations and crime investigation and analysis, including professional development studies abroad for six instructors at the Academy; (v) creation and technological outfitting of three crime analysis units in the police precincts for the more efficient deployment of local prevention strategies; (vi) organizational reengineering of the three police precincts, including the design of a policing activities control panel with indicators of process, results, and impact associated with the territorial subdivisions/quadrants

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<sup>25</sup> The total of 750 police personnel trained (equal to 20% of the entire police force working in the precincts of Montevideo) will be assigned to the three program precincts, with an average of 250 officers per precinct. Half will have been trained in community policing, and the other half in crime investigation and analysis, respecting overall National Police gender ratios in course attendance and issuing international calls for proposals for providing the courses. Police officers will be selected in part from among new graduates of the Academy's training programs and in part from among officers already assigned to service. The training will include women's rights and gender equality as crosscutting content. The 34 best qualified officers to be sent abroad for study will be assessed through the structural change test stipulated in the evaluation plan.

of each police precinct; (vii) design and implementation of a code of ethics for police personnel, as part of a human resources policy that fosters accountability and strengthens quality management indicators; and (viii) modernization of the physical infrastructure and technological equipment of the three target precincts in order to strengthen their community relations.

- 1.20 **Component II. Strengthening a social network for secondary and tertiary prevention of juvenile violence (US\$2,305,414).** The objective of this component is to have fewer juveniles involved in violent crimes in the program target area, through: (i) introduction of specialized care and support services for 680 juvenile offenders, through a personalized social and educational process (see paragraph 1.11) designed to help them achieve their full potential and to support their rehabilitation, with a focus on early preventive action;<sup>26</sup> (ii) development and implementation of an early warning system on juvenile violence with information technology support to consolidate social and judicial statistics from multiple sources (the police, the courts, INAU, MIDES, MEC, MS, MTSS), allowing for immediate referral of the juvenile after contact with the police, so as to facilitate joint work by the Ministry of the Interior and MIDES; (iii) triggering of mechanisms for interagency coordination with other existing social programs in the target territories, enabling these teens to progress through the natural socialization and participation institutions for their age, in the context of existing social policy programs; and (iv) intensive training for 150 educational counselors and social workers for personalized management of the support provided to the juveniles.

**E. Key results indicators**

- 1.21 The following impact indicators will be used: (i) victims of violent robbery in the three target police precincts; and (ii) reported violent robberies in the target precincts, divided by those in the remaining police precincts of Montevideo. For outcomes, the following indicators will be used: (i) clearance rate for violent robberies committed in target precincts, in relation to nontarget precincts; (ii) reported vehicle thefts where the vehicle is recovered; (iii) perception of police performance in the target area; (iv) violent robberies committed by juveniles in the target precincts, in relation to nontarget precincts; and (v) recidivism rate among juvenile offenders recorded in target precincts, in relation to nontarget precincts.
- 1.22 An economic analysis of the principal interventions was performed, and the potential benefits were estimated on the basis of the extant literature, adjusted for appropriate country parameters. The analysis considered the effects of crime deterrence and clearance, taking into account the assumed savings in the penal system, in the judicial system, in crime-related public health outlays, in public and

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<sup>26</sup> The services will be provided by NGOs specially selected by the Ministry of the Interior and MIDES with bid specifications that provide incentives for: (i) associating the proposed interventions with government services available in the target precincts, so as to ensure their sustainability; (ii) associating the proposed interventions with private firms, as part of their corporate social responsibility policies; and (iii) meeting targets concerning recidivism and the social integration of juvenile offenders served by the NGOs.



private spending on security, in losses to property value, and in losses through death or disability. The cost-benefit analysis for Component I shows that, if the established targets are met, the benefit for each dollar invested would be approximately US\$9.58. In the case of Component II, the benefit rises to US\$13.99.

**Table 1. Program Lines of Activity**

Component	Problems addressed	Expected outputs	Associated outcomes
1. Development of a problem-oriented policing model	<ul style="list-style-type: none"> <li>To be effective in deterring crime, the police must work more closely with the community and improve crime analysis and investigation.</li> </ul>	<ul style="list-style-type: none"> <li>Police precinct restructured according to the problem-oriented community policing model.</li> <li>Control panel designed and implemented.</li> <li>Community policing and criminal investigation protocols designed and operational.</li> <li>Crime analysis units created and providing input to police operations.</li> <li>Police ethics code designed and implemented through intensive training, with dissemination and awareness plans.</li> <li>Police stations modernizing physical and technological infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>The police force is more effective at crime prevention and clearance in the program target areas.</li> </ul>
		<ul style="list-style-type: none"> <li>Police training plan (classroom and virtual) in aspects of community policing and investigation before and after the crime.</li> <li>Police officers and instructors trained in aspects of community relations and local crime investigation.</li> <li>Police officers and instructors trained in aspects of community policing and investigation before and after the crime, at international academic centers.</li> <li>National Police Academy modernized for virtual training.</li> <li>Development and implementation of management indicators for police work.</li> </ul>	<ul style="list-style-type: none"> <li>The police force is trained and better prepared in community relations and local crime investigation.</li> </ul>
2. Strengthening of a social network for secondary and tertiary prevention of juvenile violence	<ul style="list-style-type: none"> <li>Risk factors underlying juvenile violence.</li> <li>Information systems on prevention services and crime control are not linked.</li> </ul>	<ul style="list-style-type: none"> <li>Early warning system (with information technology support to consolidate social and judicial statistics) developed and implemented.</li> <li>Classroom and virtual training plan in aspects of juvenile violence prevention implemented.</li> <li>Juvenile program mentors recruited and at work.</li> </ul>	<ul style="list-style-type: none"> <li>The growth in juvenile involvement in violent crimes slows in the program target area.</li> <li>Juveniles who exhibit high risk factors associated with violent behavior are better rehabilitated.</li> </ul>
		<ul style="list-style-type: none"> <li>Comprehensive and intensive adolescent counseling model in operation, including specialized tutoring, individual and family psychological support, and recreational and academic support programs.</li> <li>Juveniles referred from the police units and assessed jointly by MIDES and the Ministry of the Interior using the early warning system.</li> <li>Coordination between the Comprehensive Approach Model for intensive adolescent counseling and existing public social services in the target police precincts, especial social and educational inclusion and job preparedness.</li> </ul>	

## II. FINANCING STRUCTURE AND RISKS

### A. Costs and financing

- 2.1 The total cost of the program is US\$7,153,741, of which US\$5 million will be financed by the Bank, and US\$2,153,741 with the local contribution. The consolidated budget by component is shown in Table II-1; for an itemized budget, see optional link 1. The borrower may use loan proceeds to pay the value-added tax (VAT).

**Table II-1**

<b>Component</b>	<b>IDB (US\$)</b>	<b>Local</b>	<b>TOTAL</b>	<b>%</b>
Component I: Development of a problem-oriented policing model	1,885,000	1,646,550	3,531,550	49%
Component II: Development of a social network for secondary and tertiary prevention of juvenile violence	2,305,414	507,191	2,812,605	39%
Program administration, monitoring, and evaluation	809,586	0	809,586	11%
<b>TOTAL</b>	<b>5,000,000</b>	<b>2,153,741</b>	<b>7,153,741</b>	<b>100%</b>

**B. Environmental and social safeguard risks**

- 2.2 This has been classified as a category “C” operation under the Environment and Safeguards Compliance Policy (see required link 4), since no socioenvironmental risks are foreseen.

**C. Fiduciary and development risks**

- 2.3 Uruguay’s fiduciary risk is regarded as low. Generally speaking, Uruguay’s public financial administration is considered responsible and transparent, but overly bureaucratic. With respect to public procurement, although the country has a recognized legal and institutional framework with a sound legal foundation, it does have some weaknesses that compromise effectiveness and raise costs. Studies for the country procurement assessment review (CPAR) and program to implement the external pillar of the Medium-term Action Plan for Development Effectiveness (PRODEV), conducted in 2005 and 2008, indicate that corruption is not perceived as a problem. In procurement, Uruguay is regarded as “medium risk.”
- 2.4 An ICAS institutional capacity assessment of the Ministry of the Interior was done during program preparation, yielding no special recommendations. However, the Ministry of the Interior lacks personnel with experience in the Bank’s fiduciary requirements for program execution, so the fiduciary risk as related to execution was rated as medium. The executing agency has committed to strengthen its control structure and environment by hiring personnel with experience in managing Bank projects. Moreover, the Ministry of Social Development (MIDES) has extensive recent experience with Bank projects, which will facilitate execution of Component II.
- 2.5 Low participation in the counseling programs to be put in place (voluntarily) on the part of juvenile offenders who have not been prosecuted has been rated as a high development risk. Four activities are planned to mitigate it: (i) the program will coordinate with the juvenile courts and the Uruguay Institute for Children and Adolescents (INAU) to establish measures to connect juveniles with the personalized mentoring system and accessory services of the program; (ii) an individual consultant will be engaged to evaluate Component II and propose adjustments during the first six months of the program; (ii) cultural and sports activities will be sponsored, as experience has shown these to be effective ways of

keeping young people in the programs; and (iv) the tutors will receive ongoing training.

### III. IMPLEMENTATION AND MANAGEMENT PLAN

- 3.1 The borrower will be the Eastern Republic of Uruguay and the executing agency will be the Ministry of the Interior, through the Interior Branch, which will be responsible for overall and strategic program coordination and for compliance with the delivery of outputs. **As a condition precedent to the first disbursement, a program execution unit (PEU) will be established within the Ministry of the Interior, staffed with personnel having profiles previously agreed upon with the Bank.**<sup>27</sup>
- 3.2 The Ministry of the Interior will sign a coexecution agreement with the Ministry of Social Development (MIDES) for execution of Component II. Signature of this agreement will be a condition precedent to the disbursement of resources to finance the planned activities under this component. MIDES will establish a management unit for Component II, consisting of technical staff with extensive experience executing Bank operations and representatives of both ministries responsible for operational decision-making for this component. To meet program information needs, the management unit will use the systems, guidelines, forms, sheets, and other models prepared by the PEU.
- 3.3 Given the multisector nature of the interventions and the steps already taken by the Ministry of the Interior, an interagency policy and advisory board will be established with representatives of the social sector ministries and institutions, as a way of creating synergies in the interventions planned for police precincts 15, 16, and 19.
- 3.4 **The program Operating Regulations (OR) have been prepared, establishing the institutional and execution arrangements agreed by the Ministry of the Interior and MIDES (see optional link 2). The entry into force of the OR will be a condition precedent to the first disbursement.**
- 3.5 **Fiduciary agreements and requirements.** These reflect the guidelines for financial management and procurement applicable to program execution. These agreements have been developed on the basis of analysis of the fiduciary context of the country and of the executing and coexecuting agencies (see Annex III).
- 3.6 **Procurement plan.** This contains detailed information on program procurement, which will be conducted in accordance with Bank policies (documents GN-2349-9 and GN-2350-9), describing: (i) contracts for works, goods, and consulting services required for the program during the four years of execution; (ii) the proposed methods for procurement of goods and selection of consultants; and (iii) the Bank procedures for procurement review. The borrower will update the procurement plan

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<sup>27</sup> Consisting of a general coordinator, an administrative coordinator, a procurement specialist, and an accounting assistant, as stipulated in the Operating Regulations (OR) (see optional link 2).

annually, or whenever material changes occur, always covering the next 18 months of program execution.

- 3.7 **Retroactive financing and recognition of expenditures.** The Bank can finance retroactively expenditures made on or after 1 June 2012 to pay consulting fees for up to US\$100,000, for PEU staff and domestic and international advisory services specializing in community policing. The Bank can also recognize expenditures against the local contribution made on or after 8 March 2012 to build the precinct 25 building and outfit it with computer and communications equipment and structured cabling for up to US\$1,100,000. This retroactive financing and recognition of expenditures against the local contribution is justified by the Ministry's need for the program and the priority it accords to it. Those expenditures will be financed retroactively and/or recognized against the local contribution, provided they have followed procurement procedures for works, goods, and consulting services that are consistent with Bank procurement policies.
- 3.8 **Disbursements.** A program execution period of four years is proposed with the disbursement schedule established in the multiyear execution plan.
- 3.9 **External audit.** During execution, audited financial statements for the program will be delivered annually in accordance with Bank policies. The external audit will be performed by a firm of independent auditors acceptable to the Bank and financed with the loan proceeds.

**A. Summary of arrangements for project monitoring and evaluation**

- 3.10 **Monitoring by the executing agency and the Bank.** The executing agency will use the following documents for monitoring the program: (i) the Results Matrix; (ii) the multiyear execution plan; (iii) the monitoring and evaluation plan; (iv) the itemized budget; (v) the risk management matrix; (vi) the program disbursement plan; and (vii) the progress monitoring report (PMR). The monitoring and evaluation specialist will prepare six-monthly progress reports for review by the Bank.
- 3.11 **Evaluation.** The Results Matrix and the monitoring and evaluation will be used for program evaluation. There will be two evaluations: (i) an evaluation of the program's impact on juvenile involvement in crime; and (ii) a "before and after" evaluation of outcomes for overall trends. The Bank will establish a technical group to review the solicitations for the impact evaluation and to perform technical monitoring. The evaluation will take into account the information generated by the Police Management System, the Observatory on Crime and Violence, the Victimization Survey and the Standardized Criminal Statistics System (a "regional public good"), as well as the Monitoring and Evaluation System and instruments for data collection with the program beneficiaries. The executing agency will conduct a midterm and a final evaluation, engaging a consulting firm (financed with the operation resources) which will prepare a consolidated final report on the basis of the baselines and evaluations for each of the subcomponents and the information as stipulated in the Results Matrix and the monitoring and evaluation plan. The

executing agency will maintain a monitoring and evaluation system for all program components.

Development Effectiveness Matrix			
Summary			
I. Strategic Alignment			
1. IDB Strategic Development Objectives	Aligned		
Lending Program	The intervention contributes to the lending program (i) for small and vulnerable countries, and (ii) for poverty reduction and equity enhancement.		
Regional Development Goals	The intervention contributes to decrease the Homicides Index per 100,000 inhabitants.		
Bank Output Contribution (as defined in Results Framework of IDB-9)	(i) Municipal or other sub-national governments supported, and (ii) Cities benefited with citizen security projects.		
2. Country Strategy Development Objectives	Aligned		
Country Strategy Results Matrix	GN-2626	Improve living conditions for the urban population.	
Country Program Results Matrix	GN-2661-4	The operation is included in the 2012 Country Program Document.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
II. Development Outcomes - Evaluability	Highly Evaluable	Weight	Maximum Score
	8.4		10
3. Evidence-based Assessment & Solution	8.5	25%	10
4. Ex ante Economic Analysis	10.0	25%	10
5. Monitoring and Evaluation	7.5	25%	10
6. Risks & Mitigation Monitoring Matrix	7.5	25%	10
Overall risks rate = magnitude of risks*likelihood		Medium	
Environmental & social risk classification		C	
III. IDB's Role - Additionality			
The project relies on the use of country systems (VPC/FMP criteria)	Yes	The project relies on the use of Budget, Treasury, External Control, Internal Audit, and Procurement's Information systems and Shopping Method.	
The project uses another country system different from the ones above for implementing the program			
The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality			
Labor			
Environment			
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			
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan.			

This project is an investment loan for the government of Uruguay. It will be financed with ordinary capital resources by US\$5 million and local counterpart funds of US\$2.15 million. It contributes to the lending targets related to small and vulnerable countries and poverty reduction and equity enhancement. The project is aligned to the country's priorities for citizen security and is included in the Bank's Country Program Document for Uruguay 2012. The overall program goal is to contribute in the reduction of the violent crime in the city of Montevideo, by promoting specific prevention actions in 3 areas and its vulnerable population. The specific objectives are: (i) contribute to increase the efficiency of police in the prevention and resolution of crimes in the selected areas; and (ii) contribute in the social reabsorption of the young population with high concentration of risk factors associated to violence and crime in the areas of the program.

The project has a reasonable diagnosis that identifies the major shortcomings, and quantifies some of them. The results are correctly defined and almost all indicators are SMART with realistic objectives. Also, the targets are in general clearly defined. There is an economic analysis for its main components, that properly quantified costs and benefits and all alternatives and assumptions are properly defined. General monitoring mechanisms have been defined and there is a budget for this activity. The program has an ex post quasi-experimental evaluation of its results with an evaluation plan and the main activities to be performed correctly defined.

The program has identified the risks, and some required mitigation measures. There are also indicators for all mitigation measures identified.

## RESULTS MATRIX<sup>1</sup>

**PROGRAM OBJECTIVE:** The general objective of this program is to help reduce violent crime in the city of Montevideo through targeted prevention and control actions in three territories and their vulnerable populations. The specific objectives are: (i) to make the police force more effective in crime prevention and clearance in the selected territories; and (ii) to enhance the rehabilitation of juveniles between the ages of 12 and 17 who exhibit high risk factors associated with violent behavior and crime in the program target areas.

### EXPECTED IMPACT

Indicators	Unit of measure	Baseline		Targets		Source / Means of verification	Observations
		Value	Year	Value	Year		
Expected impact: to help reduce violent crime in the city of Montevideo							
1. <b>Victims</b> <sup>2</sup> of violent robbery in the three target precincts.	Percentage	10	2012	8	2016	2012 data: Victimization Survey in Pilot Precincts.  2016 data: Victimization Survey in Pilot Precincts.	Percentage who say they were robbed by force or threat. <sup>3</sup>
2. <b>Reported violent robberies</b> <sup>4</sup> in the three target precincts in relation to nontarget precincts	Percentage	24.53	2011	22.53	2016	2011 data: Observatory of the Ministry of the Interior (MI).  2016 data: MI Observatory	<b>Reported violent robberies</b> in the target precincts / nontarget precincts. <sup>5</sup>

<sup>1</sup> To the extent possible, the relevant indicators will contain statistical data disaggregated by gender and race.

<sup>2</sup> Victimization rate: Percentage of the population that have been victims of violent robbery in the last 12 months.

<sup>3</sup> Question: In the last 12 months, has someone taken something from you by force or threat, or attempted to do so?

<sup>4</sup> Violent robbery (the crime of “rapiña”): robbery by force or threat.

<sup>5</sup> The nontarget precincts used as benchmarks for the victimization survey are precincts 12, 17, and 24, which have features similar to those targeted by the program.

### EXPECTED OUTCOMES

Indicators	Unit of measure	Baseline		Intermediate measurements		Targets		Source / Means of verification	Observations
		Value	Year	Value	Year	Value	Year		
Expected Outcome 1: The police force is more effective at crime prevention and clearance in the program target areas.									
1.1. Violent robberies cleared in target precincts, in relation to nontarget precincts.	Percentage	14	2011	15	2014	16	2016	MI	Legally, a crime is considered "cleared" when a judge orders prosecution proceedings to begin against the persons charged.
1.2. Reported vehicle thefts where the vehicle is recovered.	Percentage		2011		2014		2016	MI	The Suite 03 software (OLAP cube), now being installed, will allow the MI Observatory to establish this baseline at the start of the program.
1.3. Perception of police performance in the target area. <sup>6</sup>	Percentage	34%	2012	40%	2014	44%	2016	Victimization Survey in Pilot Precincts.	Percentage of positive assessments (very good + good).
1.4. Unreported violent robberies.	Percentage	59%	2012	57%	2014	56%	2016	Victimization Survey in Pilot Precincts (questions P54 and P61).	Number of persons who did not report a violent robbery to the police, divided by the number of persons who were victims of violent robbery.
Expected Outcome 2: The growth in juvenile involvement in violent crimes slows in the program target area.									
Violent robberies committed by juveniles in the target precincts.	Percentage	43.5	2011	42.5	2014	41.5	2016	MI	
2.2. Recidivism rate among juvenile offenders registered in pilot precincts.	Percentage	47	2011	45	2014	44	2016	MI National Registry of Adolescent Offenders.	The recidivism rate, as used here, is the percentage of juveniles charged with a crime who have a previous criminal record with the police or the courts..

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<sup>6</sup> Question from the 2012 Victimization Survey, prepared especially for the baseline: "Thinking now about police work in your neighborhood, would you say that it is very good, good, neither good nor bad, bad, or very bad?"



### INTERMEDIATE OUTCOMES

Indicators	Unit of measure	Baseline		Intermediate measurements		Targets		Source / Means of verification	Observations
		Value	Year	Value	Year	Value	Year		
Intermediate Outcome: The police force is better prepared in community relations and local crime investigation.									
1.1. The social cognitive attitude of the police is conducive to preventing violence and crime.	Average qualification index	100	2012	115	2014	130	2016	Source: National Police Academy: "Police Social Cognition Test" scores.	A "Police Social Cognition Test" for crime prevention will be designed and administered. Candidates will be tested before and after the course.
1.2. Quality of police prevention work	Percentage <sup>7</sup>	36.%	2012	40%	2014	44%	2016	Victimization Survey in Pilot Precincts. Question 19.	
Intermediate Outcome 2: Juveniles who exhibit high risk factors for violent behavior are better rehabilitated.									
2.1. At-risk juvenile beneficiaries of the program are enrolled in the education system and/or working.	Percentage	0	2012		2014		2016	Program registration and monitoring system.	Juveniles are considered "at risk" when they have had some contact with the pilot police stations and therefore have entered the program. The baseline will be set at program start in direct relationship with the psychological/social assessment of the juveniles.
2.2. Juveniles who meet the objectives of their work plan.	Percentage	0	2012		2014		2016	Program registration and monitoring system.	The percentage of beneficiaries (entering the program) who meet the objectives of their work plan and complete the socio-educational process will be evaluated. The baseline will be set at program start in direct relationship with the psychological/social assessment of the juveniles.

<sup>7</sup> Simple average of "good" or "very good" responses given by people in the target precincts with regard to the following aspects of police work: (i) street presence of the police; (ii) speed of response to crimes; (iii) police dealings with the public; and (iv) honesty. (Equipos Mori Survey, 2012).

## OUTPUTS

Output	Unit of measure	Baseline 2011	2012	2013	2014	2015	Final target	Source / Means of verification
<b>COMPONENT 1: Problem-oriented community policing model</b>								
<b>Subcomponent 1.1 Design and implementation of model police stations</b>								
1.1.1 Proposal for a model police station geared toward problem-oriented community policing has been implemented.	Document	0	1				1	MI / Montevideo Police HQ
1.1.2 Dashboard with process, outcome, and impact indicators to guide police work, designed and implemented.	System	0		1			1	MI / Montevideo Police HQ
1.1.3 Community policing and criminal investigation protocols designed.	Document	0		1			1	MI / Montevideo Police HQ
1.1.4 Analysis units created for prevention and prosecution.	Units	0		1	1	1	3	MI
1.1.5 Police ethics code designed, with a proposed implementation strategy.	Document	0		1			1	MI / Montevideo Police HQ
1.1.6 Police precincts modernizing their infrastructure to foster citizen services and participation.	Precincts	0		1	1	1	3	MI
<b>Subcomponent 1.2. Police training in aspects of community relations and local crime investigation</b>								
1.2.1 Concept document for international call for proposals for the Police Training Plan	Document	0	1				1	MI
1.2.2 Classroom and virtual training plan designed, covering aspects of community policing and local crime investigation in pilot precincts.	Document	0	1				1	MI / National Police Academy (ENP)
1.2.3 Police officers trained in aspects of community policing, local crime investigation, and management.	Police officers	0		250	250	250	750	MI / ENP
1.2.4 Instructors trained in aspects of community policing, local crime investigation, and management (with coaching from 8 international instructors per year).	Instructors	0		8			8	MI / ENP
1.2.5 Police officers trained at international academic centers in aspects of community policing, local crime investigation, and management	Police officers	0		17	17		34	MI / ENP

Output	Unit of measure	Baseline 2011	2012	2013	2014	2015	Final target	Source / Means of verification
1.2.6 Instructors trained at international academic centers in aspects of community policing, local crime investigation, and management	Instructors	0		3	3		6	MI/ ENP
1.2.7 National Police Academy modernized with two virtual academic courses in community policing and crime investigation.	Police officers trained	0		1			1	MI
1.2.8 Police officers trained in police ethics.	Police officers	0		250	250	250	750	MI
1.2.9 Annual plans implemented for dissemination and awareness of police ethics.	Plans	0		1	1	1	3	MI
<b>COMPONENT 2: Development of a social network for secondary and tertiary prevention of juvenile violence</b>								
<b>Subcomponent 2.1. Institutional structure for early warning</b>								
2.1.1 Early warning system for juvenile violence (with information technology support to consolidate social and judicial statistics) in operation.	System	0		1			1	MI
2.1.2 Classroom and virtual training plan in aspects of juvenile violence prevention designed (includes specific training for the Management Unit, the technical teams of the specialized counseling services, and the local technical teams of the protection services with which the program interacts).	Document	0	1				1	MI / MIDES
<b>Subcomponent 2.2. Management of violence prevention.</b>								
2.2.1 Comprehensive and intensive adolescent counseling model in operation, including specialized tutoring, individual and family psychological support, and recreational and academic support programs.	Specialized institutions	0	1	2	3	3	3	Ministry of Social Development
2.2.2 Juveniles who are receiving or have completed counseling.	Number of juveniles	0	40	130	230	280	680	MI

## FIDUCIARY AGREEMENTS AND REQUIREMENTS

**Country:** Uruguay  
**Project number:** UR-L1062  
**Name:** Integrated Local Management Program for Citizen Security  
**Executing agency:** Ministry of the Interior  
**Prepared by:** Gabriele M. del Monte and Pablo Puente

### I. EXECUTIVE SUMMARY

1. The fiduciary agreements and requirements for this program are based on the 2005 country financial accountability assessment (CFAA), on a recent Institutional Capacity Assessment System (ICAS) analysis of the executing agency, and on meetings with members designated by the executing agency during the program design phase. An evaluation of public finance management in Uruguay was performed in 2011, using the PEFA methodology, the final results of which are expected to be ready during 2012.
2. Uruguay's fiduciary risk is considered low, i.e., the likelihood of public or donor funds being used for unauthorized purposes is low. Generally speaking, Uruguay's public financial administration is considered responsible and transparent, but overly bureaucratic. With respect to public procurement, although the country has a recognized legal and institutional framework with a sound legal foundation, it does have some weaknesses that compromise effectiveness and raise costs. Studies conducted in 2005 and 2008<sup>1</sup> indicate that corruption is not perceived as a problem, but because of procurement issues the country system is still regarded as "medium risk."
3. The estimated total cost of the program is US\$5.0 million in IDB financing and a local counterpart contribution of US\$2.1 million. The borrower and guarantor of the operation will be the Eastern Republic of Uruguay, and the executing agency will be the Ministry of the Interior, which will manage the loan proceeds and arrange for timely financing of the local counterpart contributions. The Ministry of the Interior has delegated the specific execution of activities to the Office of the Undersecretary of the Interior, which will be supported by a program coordination unit (PCU). The Ministry of Social Development (MIDES) will be involved as coexecuting agency of Component II, acting through the National Directorate of In-Familia (DNI), within which a management unit is being established.

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<sup>1</sup> Studies for the country procurement assessment review (CPAR) and program to implement the external pillar of the Medium-term Action Plan for Development Effectiveness (PRODEV).

## **II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY**

The executing agency has no recent prior experience in this type of project with the Bank, and consequently there is no background information on its fiduciary management. However, the recent ICAS assessment of the Ministry of the Interior revealed a satisfactory degree of development in its institutional capacity, and consequently a low risk.

The most recent ICAS assessment of the coexecuting agency, MIDES, which has been executing program 2414/OC-UR yielded a satisfactory outcome, rating the fiduciary risk as low.

Because the Ministry of the Interior is a central government agency, certain criteria for similar entities will be applied for program execution. The use of country systems is described below:

- a. Budget: budgetary credits for the program will be included in the budget of the Ministry of the Interior.
- b. Treasury: the program resources will be managed through an account opened at the Central Bank of Uruguay (BCU), and the corresponding operating accounts in dollars and local currency. The Ministry of the Interior will be the disbursement manager.
- c. Accounting and financial reports: the budget execution module of the Integrated Financial Information System (SIIF) will be used, and accounts will be kept on parallel accounting software, which will issue periodic financial statements.
- d. Internal control: since the PCU is part of the Ministry of the Interior, it will operate within the central government's own internal control environment, as will MIDES. The Tribunal de Cuentas de la República [Auditor General's Office] (TCR), as part of its prior control function, will review expenditures before commitment. The project is subject to review by the Auditoría Interna de la Nación [Internal Audit Office] (AIN).
- e. External control: the program's financial statements will be subject to external audit either by the TCR or by a private firm acceptable to the Bank.
- f. Procurement: procurement and contracting procedures are based on the Amended Accounting and Financial Administration Code (TOCAF). Neither the executing agency nor the PCU has any prior experience with procurement under IDB policies. However, last year the Ministry of the Interior managed to use 95% of its budget, which could be taken as an indicator of procurement efficiency.

## **III. FIDUCIARY RISK EVALUATION AND MITIGATING MEASURES**

The overall outcome of the ICAS capacity assessment of the executing agency reveals a satisfactory level of development, associated with a low risk rating. Given those results, the ICAS calls only for minor measures or suggestions aimed at ensuring efficient and effective management of program resources. A supplementary ICAS assessment is planned once the

PEU has been established, and the execution mechanisms for Component II have been agreed upon with the MIDES.

Nevertheless, the Ministry of the Interior's lack of recent prior financial management and procurement experience with Bank financed programs does pose a risk. The required measures to mitigate this risk will include the following: (i) strengthen the program management team, as detailed later in this Annex; and (ii) provide the PCU with adequate training to build up its expertise in the use and application of the Bank's various tools, over the course of the implementation phase of the operation.

In light of the foregoing, we consider it appropriate to assign a medium risk rating to the program, meaning that certain measures will be required to ensure the efficient and effective administration of program resources and to achieve program objectives (see Financial Supervision Plan at the end of this Annex III).

The lack of personnel with experience in Bank fiduciary requirements could affect the efficient execution of the program. To mitigate this risk, it is recommended that two positions be created to strengthen the PCU's capacity: a procurement specialist and a financial administration specialist, both of whom should have working experience with Bank programs, or similar experience.

#### **IV. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE CONTRACTS**

The agreements and requirements to be considered in the Special Provisions are given below:

- As indicated above, the Management Unit is expected to handle all procurements and payments under Component II. Consequently, an agreement should be signed for transfer of the budgetary credits corresponding to Component II from the Ministry of the Interior to MIDES, and establishing the coexecution mechanism.
- Exchange rate: the exchange rate on the effective date of payment will be used for accounts rendered in dollars.
- Audited financial statements: financial statements are to be delivered at the close of each year throughout the execution period, audited by the TCR or by a Bank-eligible private firm.
- Establishment of the PCU, as soon as possible, staffed with personnel experienced in the financial and procurement areas.

#### **V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION**

The procurement policies established in documents GN-2349-9 and GN-2350-9 will apply to this loan.

## **1. Procurement execution**

- 1.1 Before procurement begins, the procurement plan for the first 18 months must be approved in the Procurement Plan Execution System (SEPA) and kept up-to-date by the execution unit.
- 1.2 The relevance of the expenditure—i.e., its consistency with the terms of reference, technical specifications, bidding documents, and budget—is the responsibility of the project's sector specialist and always requires this specialist's prior no objection for procurement to begin, regardless of the review modality adopted (ex ante or ex post) for procurement process.

## **2. Procurement of works, goods, and nonconsulting services:<sup>2</sup>**

Contracts generated and subject to international competitive bidding (ICB) will be executed using the bidding documents issued by the Bank. Bidding processes subject to national competitive bidding (NCB) will be executed using bidding documents satisfactory to the Bank.

- 2.1 Without detriment to the relevant IDB policies, direct contracting may be used for technically simple, least-cost inputs and services up to US\$5,000 or the equivalent per item. For higher amounts, procurement will be conducted using the relevant competitive methods.
- 2.2 No works construction is planned with the loan proceeds.

## **3. Selection and contracting of consultants**

- 3.1 Consulting firms: Consulting firms will be selected and contracted in accordance with IDB policies. The only procurement of relative complexity will involve the consulting firm for “training in community policing, local crime investigation, and management,” which will be selected using the quality-based selection method, for a total amount of approximately US\$960,000.

3.1.1 As an alternative to this contacting method, the project team may consider, at the appropriate time, together with the Ministry of the Interior, the possibility of direct contracting of highly specialized individual consultants. In such case, justification would be provided for the direct contracting under Bank policies.

- 3.2 Selection of individual consultants:<sup>3</sup> The technical and administrative personnel assigned to the PCU, three from the Ministry of the Interior and one from the MIDES, will be engaged by direct contracting in accordance with paragraph 5.4(a) of document GN-2350-9. At the time of contracting, the PEU will submit evidence to the Bank that this personnel worked on the prior loan. Otherwise,

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<sup>2</sup> Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document [GN-2349-9](#)), paragraph 1.1: Nonconsulting services are treated as goods.

<sup>3</sup> In accordance with Section V of document GN-2350-9, a shortlist is not required, and the standard request for proposals is not used.

selection will be performed through comparison of qualifications in accordance with IDB policies.

**4. Training:** Direct contracting will be used when the individual value of each procurement is less than US\$5,000. For higher amounts, procurement will be conducted using the relevant competitive methods.

**5. Advance procurement / retroactive financing:**

5.1 At present, there is the possibility of retroactive financing for the individual consultants making up the PCU.

**6. Table of threshold amounts for Uruguay (US\$000s)**

Works			Goods <sup>4</sup>			Consulting services	
ICB	NCB	Shopping	ICB	NCB	Shopping	International publicity	Shortlist 100% national
≥ 3,000	250-3,000	≤ 250	≥ 250	50-250	≤ 50	> 200	≤ 200
<b>Threshold Amounts for Ex Post Review of Program UR-L1062</b>							
Works		Goods and consulting services		Consulting firms and individual consultants			
<ul style="list-style-type: none"> <li>Shopping up to US\$250,000</li> <li>NCB up to US\$3,000,000</li> </ul>		<ul style="list-style-type: none"> <li>Shopping up to US\$50,000;</li> <li>ICB up to US\$250,000</li> </ul>		<ul style="list-style-type: none"> <li>Firms with quality and cost-based selection (QCBS) up to US\$200,000 (national requests for proposals)</li> <li>Individual consultants up to a value of US\$50,000 per contract</li> </ul>			

**7. Main procurements:** The procurements under the loan are reflected in the procurement plan given in the required annex to the proposal for operation development. Generally speaking, these procurements are not technically complex, nor do they involve procedures warranting special mention. They are summarized in the following table:

Type of Expenditure		
Procurement category	Amount financed by the Bank	Total amount for the project
Goods	US\$550,000	US\$550,000
Nonconsulting services	US\$1,897,695	US\$2,232,583
Training	US\$1,220,656	US\$1,238,361
Consulting services (firms + individuals)	US\$759,539	US\$812,656
Not allocated	US\$572,110	US\$2,320,142
<b>Total</b>	<b>US\$5,000,000</b>	<b>US\$7,153,742</b>

<sup>4</sup> Includes nonconsulting services.



8. **Procurement supervision:** Although the ICAS assessment of the executing agency had not been completed at the time this “Fiduciary Agreements and Requirements” annex was prepared, ex ante review of procurement is deemed appropriate. The possibility of introducing some level of ex post review will be evaluated after the first year of activity of the loan.

However, as noted above, the procurements under Component II to be conducted by the coexecuting agency—the Ministry of Social Development (MIDES), National Directorate of In-Familia (DNI)—will be subject to ex post review, given that unit's experience (currently executing one loan and two technical cooperation operations with the IDB).

9. **Records and files:** no special provisions. There will be a dedicated archive. Procurement under Component II conducted by the DNI will be backed up in the executing agency records.

## VI. FINANCIAL MANAGEMENT

### 1. Programming and budget

The executing agency will demonstrate to the Bank, in the course of fulfillment of the conditions precedent and annually thereafter (by end-February), that the initial local counterpart resources have been included in its annual work plan and annual budget.

### 2. Accounting and information systems

The PCU will use its own centralized accounting system to record program operations (including transactions under Component II, to be executed by the DGI). Program financial statements will be issued in accordance with International Financial Reporting Standards accepted by the Bank in its Financial Management Policy, and will be audited annually by the TCR or by a Bank-eligible private firm.

### 3. Disbursements and cash flow

For purposes of executing the funds, the PCU will establish a special account in the name of the program at the Central Bank of Uruguay (BCU). That account will receive the funds disbursed by the IDB, which will then be transferred to one or more operating accounts to be opened at Banco de la República Oriental del Uruguay (BROU) for making payments. Resources for Component II will be transferred from the PCU to a special account of MIDES, which will report periodically to the PCU on their use. The PCU will then submit a consolidated accounting to the IDB.

Disbursements will be made in the form of “advances” based on actual liquidity needs, supported by proper financial and disbursement projections. These advances will preferably be disbursed on a six-monthly basis, once accounts have been rendered for at least 80% of the previous advance. Supporting documentation will consist of the accounting forms, the financial planning spreadsheets, and the bank reconciliation of cash balances.

#### **4. Internal control and external audit**

The Operating Regulations, now in preparation by the PCU, will include: control procedures for procurements and payments, the documentation archive, levels of disbursement authorization and monthly reconciliations of bank accounts and of cumulative investment against official program reports of the Bank. These rules will also be followed for Component II, where the coexecuting agency will maintain separate accounting records for subsequent review.

The external audit reports on the financial statements and the review of disbursement processes and requests will be submitted for each year during the disbursement phase, before April 30 of the following year.

#### **5. Financial supervision plan**

The plan addresses the following points:

- During the eligibility phase, the ICAS assessment will be updated, with an emphasis on the PCU and the accountability mechanisms, record-keeping, and reporting for which MIDES is responsible (Component II).
- For the first year of execution, an interim financial visit is planned to examine the accounting and financial processes of the PCU and the coexecuting agency.
- Disbursement requests will be subject to ex post review, and verification will be performed by the TCR or the private auditor, with the delivery of its annual reports.
- Prior to loan eligibility, a launch workshop will be held to train PCU members in the use of fiduciary tools, specifically: advances, audited financial statements, and the SEPA.