

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**COLOMBIA**

**PROGRAM TO STRENGTHEN PUBLIC SECTOR STRATEGIC MANAGEMENT  
CAPACITIES**

**(CO-L1243)**

**LOAN PROPOSAL**

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## ABBREVIATIONS

CGC	Consejería Presidencial para la Gestión y Cumplimiento [Office of the Presidential Adviser for Management and Delivery]
CGN	Contaduría General de la Nación [General Accounting Office]
CGR	Contraloría General de la República [Comptroller General of the Republic]
CITD	Consejería Presidencial para la Innovación y la Transformación Digital [Presidential Office for Innovation and Digital Transformation]
CoG	Center of government
DAPRE	Departamento Administrativo de Presidencia de la República [Administrative Department of the Presidency of the Republic]
DMM	Delivery management model
DNP	Departamento Nacional de Planeación [National Planning Department]
GDP	Gross domestic product
ICT	Information and communications technologies
IFMIS	Integrated Financial Management Information System
IRR	Internal rate of return
LIBOR	London interbank offered rate
MINTIC	Ministry of Information and Communications Technologies
OECD	Organisation for Economic Co-operation and Development
PND	Plan Nacional de Desarrollo [National Development Plan]
REDAP	Reforma Digital de la Administración Pública [Digital reform of the public administration]
ZEII	Intervención Integral en Zonas Estratégicas [Comprehensive intervention in strategic zones]

**PROJECT SUMMARY**  
**COLOMBIA**  
**PROGRAM TO STRENGTHEN PUBLIC SECTOR STRATEGIC MANAGEMENT CAPACITIES**  
**(CO-L1243)**

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility <sup>(a)</sup>	
Republic of Colombia			Amortization period:	15.15 years
Executing Agency:			Disbursement period:	4 years
Administrative Department of the Presidency of the Republic (DAPRE)			Grace period:	15.15 years <sup>(b)</sup>
Source	Amount (US\$)	%	Interest rate:	LIBOR-based
IDB (Ordinary Capital):	15,000,000	100	Credit fee:	(c)
			Inspection and supervision fee:	(c)
Total:	15,000,000	100	Weighted Average Life:	15.15 years
			Approval currency:	United States dollars
Project at a Glance				
<b>Project objective/description:</b> The general objective of the operation is to improve the effectiveness of the management of government priorities in Colombia by strengthening key center of government (CoG) functions. The specific objectives are to: (i) improve quality in the delivery of government priorities, including planning and monitoring and evaluation capacities; and (ii) improve the efficiency and quality of information for managing government priorities.				
<b>Special contractual conditions precedent to the first disbursement of the financing:</b> The executing agency will submit evidence to the Bank that: (i) the program <a href="#">Operating Regulations</a> and the program steering committee have entered into force under terms previously agreed upon with the Bank; and (ii) all program execution unit staff have been appointed (paragraph 3.6).				
<b>Exceptions to Bank policies:</b> None.				
Strategic Alignment				
<b>Challenges<sup>(d)</sup>:</b>	SI	<input checked="" type="checkbox"/>	PI	<input checked="" type="checkbox"/>
			EI	<input type="checkbox"/>
<b>Crosscutting themes<sup>(e)</sup>:</b>	GD	<input type="checkbox"/>	CC	<input type="checkbox"/>
			IC	<input checked="" type="checkbox"/>

<sup>(a)</sup> 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.

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

<sup>(c)</sup> 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 policies.

<sup>(d)</sup> SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

<sup>(e)</sup> GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

## I. DESCRIPTION AND RESULTS MONITORING

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

- 1.1 **Context.** Governments in Latin America and the Caribbean have found that they need to strengthen the State's institutional capacity in order to achieve their objectives and deliver quality services to an increasingly well-informed citizenry with rising expectations.<sup>1</sup>
- 1.2 Achieving government objectives and effectively meeting demands from citizens increasingly requires the implementation of multidimensional, crosscutting actions with a high degree of both horizontal and vertical coordination (that is to say, among sector ministries and with subnational governments, respectively). These challenges particularly relate to the management and delivery of government priorities.
- 1.3 Various studies indicate that effectively meeting government priorities is fundamental in order to align government actions with demands from citizens, ensure the provision of services, and optimize government resources.<sup>2</sup> The extent to which government priorities are met depends mainly on five factors: (i) clearly defined and targeted government priorities; (ii) adequate planning of pathways for delivery of the government priorities set; (iii) coordination of the government actors responsible for delivery; (iv) anticipation and appropriate handling of obstacles to delivery; and (v) availability of quality information and knowledge to facilitate decision-making by the government authorities involved.<sup>3</sup>
- 1.4 The center of government (CoG), meaning the institution or group of institutions that provide direct support to the chief executive<sup>4</sup> to help manage top government priorities, is key to ensuring these priorities are met effectively. The CoG does not execute or provide direct services, or center on a specific area of public policy.<sup>5</sup> Rather, its role is essentially to coordinate the government<sup>6</sup> by facilitating the

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<sup>1</sup> Recent studies show that 80% of government efforts do not meet their objectives and that 60% of the region's middle class is dissatisfied with basic services. [McKinsey \(2018\). Delivering for Citizens: How To Triple the Success Rate of Government Transformations.](#)

<sup>2</sup> [World Bank \(2017\). World Development Report.](#)

<sup>3</sup> Around 2008, the science of delivery, or "deliverology," developed the concepts and strategies necessary for ensuring the delivery of public goods and services, based on the definition of the top government priorities that would make it possible to fulfill the government leader's campaign promises and achieve the administration's principal targets. See: Barber, M. (2008). *Instruction to Deliver*. London: Methuen Publishing Ltd.

<sup>4</sup> President, Prime Minister, Governor, or Mayor.

<sup>5</sup> [IDB \(2014\). Governing to Deliver: Reinventing the Center of Government in Latin America and the Caribbean.](#)

<sup>6</sup> The CoG not only provides vertical coordination by resolving conflicts among the various ministries and/or institutions, but also facilitates the horizontal coordination thereof. Coordination is necessary both in the design of policies helping enable government priorities to be met, and in their implementation. In the design stage, coordination promotes whole-of-government decisions and approaches to prevent the various ministries and/or institutions from adopting inconsistent or even contradictory policies; in the implementation stage, it seeks to guarantee that the ministry and institutional policies and programs are aligned with the government priorities and do not conflict with each other. Ben-Gera, M. (2004) "Co-ordination at the Centre of Government: The Functions and Organization of the Government Office Comparative Analysis of OECD Countries, CEECs and Western Balkan Countries." SIGMA document no. 35. Paris: Organisation for Economic Co-operation and Development (OECD).

- strategic management of government priorities; this includes supporting sectors for planning priorities; aligning the actors responsible for implementing them; monitoring and providing support for improving the institutional performance necessary for ensuring delivery; publicizing results and providing accountability within the government and to citizens.<sup>7</sup>
- 1.5 Several of the CoG-strengthening efforts implemented,<sup>8</sup> principally through the creation of delivery units, have shown that focusing government action on the priorities can lead to significant outcomes that directly impact the delivery of services to citizens. For example, in the United Kingdom, the CoG helped reduce waiting time at hospitals and improve scores on student tests; in Pernambuco, Brazil, it helped reduce violent crime, improve school performance, and reduce deaths from preventable causes; and in Chile, it helped reduce the crime victimization rate, among other impacts.<sup>9</sup>
- 1.6 In Colombia, various organizations have noted the need to improve the government's strategic management capacity by strengthening CoG functions.<sup>10</sup> Heeding these recommendations, Colombia has taken several steps forward towards defining a delivery management system<sup>11</sup> led by the Presidency of the Republic. Through interministerial cabinet meetings, the government was able to manage some of its priorities, with notable results.<sup>12</sup>
- 1.7 Recognizing this progress, Colombia's incoming administration, which took office on 7 August 2018, decided to create the Office of the Presidential Adviser for Management and Delivery (CGC) with responsibility for formally exercising CoG functions.<sup>13</sup> This Office will report directly to the president and will seek to create a formal delivery unit with the necessary institutional structure for improving the executive branch's strategic management capacity in the long term. To that end, it will principally rely on the technical capacities of the National Planning Department (DNP).<sup>14</sup>
- 1.8 The CGC was created at a time of economic recovery in Colombia, with economic growth of 2.7% in 2018. Additionally, inflation returned to the target range, allowing

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<sup>7</sup> [IDB \(2014\). Governing to Deliver: Reinventing the Center of Government in Latin America and the Caribbean.](#)

<sup>8</sup> More than 15 Latin American and Caribbean governments strengthened their centers of government between 2010 and 2018. Source: [IDB \(2018\). Do delivery units deliver?](#)

<sup>9</sup> Ibid.

<sup>10</sup> OECD (2016), [Making the Most of Public Investment in Colombia: Working Effectively across Levels of Government](#); OECD (2014), [Territorial Reviews: Colombia](#); and OECD (2013), [Colombia: Implementing Good Governance](#).

<sup>11</sup> The CoG management models enable top government priorities to be met by: (i) defining the delivery chain for public goods and services; (ii) identifying obstacles that hamper delivery; and (iii) establishing action plans or delivery pathways to ensure delivery and overcome any identified obstacles. Implementation depends on a delivery unit or CoG that helps stakeholders perform their roles more effectively.

<sup>12</sup> For example, in the first year of implementation of a monitoring plan for combating cell phone theft in Colombia, such theft dropped 12% in the country's 10 main cities. [IDB \(2018\). Coordinating to Deliver: Lessons learned from the Colombian Government's Delivery Unit.](#)

<sup>13</sup> [Presidential Decree 179 of 2019.](#)

<sup>14</sup> The DNP has a large capacity for gathering and organizing information on the country's policies and public investments. Source: IDB. (2015), [Building Effective Governments.](#)

for a more expansionary monetary policy, while the exchange rate ranges from 3,000 to 3,100 Colombian pesos per United States dollar. In the current context and under the policies in force, the economy is expected to return to expansion, with 2019 set to close at 3.2% annual growth. Likewise, in December of 2019 the forecast annual inflation rate is 3.4% (which falls within the target range of 2-4%). The current account deficit is expected to come in at around 3.2% of GDP. Lastly, the fiscal adjustment is still ongoing, with a target of -2.6% of GDP for 2019. With the government priorities and public policies that Colombia has slated for implementation over the next four years, the country should reach growth rates of 4.5%, the population in extreme poverty should shrink by 2.9 million, and the quality of public services should improve.<sup>15</sup>

- 1.9 The Presidency of the Republic has defined nine government priorities for the 2018-2022 period; these priorities are being called transformational due to their crosscutting nature and importance to the country's development.<sup>16</sup> They are: land registration and titling; comprehensive intervention in strategic zones (ZEII); productivity, entrepreneurship, and revitalization; the *Campo con Progreso* rural development program; job training; the orange economy; Venezuela: support for the migrant population; poverty/equity; and digital reform of the public administration (REDAP).<sup>17</sup> These government priorities involve many sectors across the entire country, and the participation of 36 national entities ([See optional link 7.](#))<sup>18</sup>
- 1.10 Implementation of the digital reform of the public administration stands out as one of the most complex and crosscutting government priorities. It involves mobilizing the entire government to move Colombia from an e-government to a digital government model,<sup>19</sup> and it will be decisive for achieving the other government priorities that have been set. The results of the 2017 Colombia digital government index indicate that only 1% of public bodies have achieved high levels of implementation of digital government. This significantly affects institutional performance and citizen services and procedures.<sup>20</sup>
- 1.11 Effective CoG management to ensure delivery of the REDAP and the other multisectoral government priorities will require: (i) institutionalizing the main functions of the CoG; (ii) developing managers' and technical teams' capacities in the various sectors and levels of government in charge of executing the

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<sup>15</sup> DNP (2018). [Fundamentals of the National Development Plan \(PND\) 2018-2022.](#)

<sup>16</sup> These government priorities are aligned with the [Foundations of the PND 2018-2022](#), Colombia's principal planning instrument, currently being drafted, [Law 152/94.](#)

<sup>17</sup> Specifically, in two areas: (i) transparency and (ii) simplification and digitalization of priority procedures.

<sup>18</sup> Central government bodies including the Office of the Vice-President, ministries and public establishments, administrative departments, superintendencies, special administrative units for the following sectors: the presidency; civil service; interior; treasury; housing; planning; education; labor; transportation; foreign affairs; trade, industry, and tourism; agriculture and rural development; national defense; statistics; and science, technology, and innovation. See: [Structure of the State.](#)

<sup>19</sup> E-government uses technological tools to offer information and services, while digital government seeks to transform public bodies and equip them with capacities to respond to the needs of the digital economy, which places citizens center stage and allows them to interact. See: [OECD \(2018\). Digital Government Review in Colombia.](#)

<sup>20</sup> Results in [Estrategia Gobierno en Línea. Colombia.](#)



government priorities;<sup>21</sup> and (iii) implementing an efficient delivery management model based on data analytics.

- 1.12 **Problem and challenges.** The primary problem identified is the senior level of government's<sup>22</sup> limited ability to manage the delivery of government priorities in Colombia. The main evidence of this problem can be seen in Colombia's most recent average rating of 2.21 in the delivery capacity review measurement, which places it at a medium-low level.<sup>23</sup> Lower ratings are associated with problems in implementing delivery, meaning in the chains and routines for managing government priorities.<sup>24</sup> The underlying causes are discussed in paragraphs 1.13 and 1.14 below.
- 1.13 **Limited quality of the government priority planning, measurement, and follow-up model** as a result of: (i) the senior level of government's ad hoc process and fragmented approach to supervising government priorities;<sup>25</sup> and (ii) the ministries' and agencies' lack of delivery capacity.<sup>26</sup> This is reflected in the delivery capacity review index ratings obtained for the strategy and monitoring and evaluation categories (2.07 and 2.08, respectively), which include aspects like: defining the reform strategy; outlining the delivery chain; setting targets and trajectories; establishing routines to drive and monitor performance; timely and effective problem-solving; and building and sustaining momentum towards the pursuit of delivery.<sup>27</sup>
- 1.14 **Limited efficiency and quality of information for managing government priorities** as a result of: (i) weaknesses in handling strategic information involved in the delivery of government priorities;<sup>28</sup> (ii) the limitations of the CoG information systems for performing preventive and prospective analyses on managing

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<sup>21</sup> The CoG does not directly execute, but rather facilitates and coordinates the senior government and subnational government entities, so that they effectively execute the government priority delivery pathways. Source: Ibid. IDB (2014).

<sup>22</sup> Highest authorities of the 24 administrative sectors of the [national executive branch](#) (ministers and directors).

<sup>23</sup> Results of the [Delivery Capacity Review](#) index applied in 2018 to a sample of six government priorities defined by the Presidency of the Republic. Five dimensions were evaluated (alignment, analysis, strategy, follow-up and evaluation, and culture) with stakeholders on a scale of 1 to 4 (with 1 being the lowest rating). Adapted from Berber et al. (2011) "Deliverology 101: A Field Guide for Educational Leaders."

<sup>24</sup> Ibid.

<sup>25</sup> The management of government priorities is addressed in cabinet meetings and not in a systematized strategic management process that would ensure proper management and delivery. Furthermore, the DNP monitors the National Development Plan as a whole, together with the public investment policies and projects through the SINERGIA system and the National Economic and Social Policy Council documents. This monitoring is broken up by sectors and territories, and it goes beyond the scope of the senior level of government's priorities. This makes it especially difficult to manage multisectoral government priorities. Source: Presidency of the Republic data.

<sup>26</sup> Given the lack of a formal process for managing the government priorities, neither a method for developing capacities in the government nor the associated training sessions were ever developed. Source: Presidency of the Republic data.

<sup>27</sup> Ibid. Delivery capacity review.

<sup>28</sup> [SINERGIA](#) monitors a total of 933 indicators for 23 sectors, 81 entities, and 194 programs, which makes it difficult for the top level of government to manage government priorities in a focused way. Source: DNP (2018).

government priorities, especially multisector ones, leading to reactive, delayed interventions;<sup>29</sup> and (iii) loss of specialized knowledge at the senior level of government on managing government priorities and making strategic decisions.<sup>30</sup>

- 1.15 **Bank experience and lessons learned.** The Bank has extensive experience in strengthening delivery management and CoG capacities, as well as management information systems that use data analytics and big data, at the bilateral level, with loan and technical-cooperation operations, and with regional initiatives and knowledge products.<sup>31</sup> In particular, since 2013, the CoG initiative has provided technical assistance to more than 15 governments in the region on the issues to be financed in this operation. Among these operations, the following stand out: Public Financial Management and Performance Monitoring Reform in the Bahamas (loan 3340/OC-BH) and the Project to Improve and Expand Support Services for National Service Delivery to Citizens and Enterprises in Peru (loan 4399/OC-PE). Three lessons were incorporated in the design of this program: (i) expanding the technical capacities in planning, monitoring, and coordination at government level helps disseminate the value of these functions and the abilities necessary to perform them; (ii) consolidation of senior public management working in technical-level positions in CoG institutions may give continuity during government changeovers; and (iii) compliance with key prerequisites for successful implementation of the strengthening of the CoG, includes clear CoG roles and responsibilities, appropriate technical capacities that add value to the sectors, and support for the sectors responsible for implementing the public policies, and tying planning and management of government priorities to the budget.<sup>32</sup>
- 1.16 The Bank has successful experience in Colombia supporting the institutional strengthening of government bodies with an influence on the management of public policies that entail high levels of government coordination. Of note are the Program to Strengthen the Public Investment System (loan 2977/OC-CO) and three operations that promote the strengthening of the national system for the control and oversight of public investment: the Office of the Comptroller General of the Republic (loan 3593/OC-CO); the Office of the Attorney General (loan 4443/OC-CO); and the Ombudsman's Office (loan 4550/OC-CO).

<sup>29</sup> Colombia does not have centralized, timely, quality information classified according to geospatial criteria. [OECD \(2014\)](#).

<sup>30</sup> The lack of an information system for managing the government priorities results in the loss of key institutional information for decision-making. This affects continuity and delivery, especially when priorities overlap during changes of government. Source: Presidency of the Republic administrative data.

<sup>31</sup> In addition to this technical assistance, which includes Colombia, the CoG initiative (operations ATN/FI-13793-RG and ATN/OC-15629-RG) has financed knowledge products like: [Governing to Deliver: Reinventing the Center of Government in Latin America and the Caribbean](#) (2014) and [Do delivery units deliver? Assessing Government Innovations](#) (2018). This initiative has led to specific technical-cooperation operations in Costa Rica (operation ATN/OC-15037-CR), Paraguay (operation ATN/FI-14342-PR), Peru (operation ATN/OC-16100-PE), and Uruguay (operation ATN/OC-16924-UR). Furthermore, since 2013, the InvestmentMap initiative (loan 2977/OC-CO, operations ATN/AA-15682-RG and ATN/AA-16773-RG) has supported various governments in improving the quality of and access to public information in the region, including in Argentina, Colombia, Costa Rica, Paraguay, and Peru, among other countries.

<sup>32</sup> For a more complete list, see: [IDB \(2018\)](#).

- 1.17 The lessons learned from these operations include: (i) the importance of strengthening information management and analysis through the use of information and communications technologies (ICT) to help make more appropriate, effective, and transparent decisions; and (ii) the primacy of planning and results-based strategic management beyond simple monitoring, and of tools that facilitate governmental coordination and synergy.
- 1.18 **Complementarity with other Bank operations in Colombia.** The project also complements the actions of the Program to Improve the Connectivity and Digitalization of the Economy (loan 4701/OC-CO), by providing diagnostic assessments and specific delivery pathways, whose outcomes will help fulfill the program objectives, like the modernization of the institutional framework for developing the digital economy; the strengthening of crosscutting public policies for the digital transformation; and the improvement of public policies for the use of digital technologies in Colombia. It also complements the actions of a specific investment loan for the institutional strengthening of the DNP in Colombia, currently in preparation, by promoting improvement of the management and exchange of information for the senior level of government's strategic decision-making, specifically with regard to the transformational government priorities identified in the President of the Republic's agenda, for which the program defines a delivery pathway and specific monitoring method coordinated directly with the Office of the Presidential Adviser for Management and Delivery (CGC) of the Presidency of the Republic.
- 1.19 **Strategic alignment.** The program is consistent with the Update to the Institutional Strategy 2010-2020 (document AB-3008) and strategically aligned with the development challenges of: (i) social inclusion and equality, through greater effectiveness in the management of government priorities, via more appropriate and higher quality services thanks to the State's strategic, multisector action, helping to overcome the specific challenges of reducing poverty and inequality; and (ii) productivity and innovation, through the development, transformation, and adoption of more efficient ways of providing high-quality services, thanks to the adoption of ICT for effective CoG management geared toward delivery of defined, multisector government priorities, and principally to delivery of the government priorities of productivity, entrepreneurship, and revitalization; rural development; job training; comprehensive intervention in strategic zones (ZELI); land registration and titling; the orange economy; and REDAP. This program is also aligned with the crosscutting area of institutional capacity and the rule of law, through its support for the government effectiveness index, the application of which helps strengthen the government's strategic management capacities.
- 1.20 It is also aligned with the Corporate Results Framework 2016-2019 (document GN-2727-6) through the following indicators: (i) "accountability institutions strengthened," reflected in the outcome indicator on the government's improved delivery capacity review index rating; and (ii) "government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery," reflected in output indicator on improvement in the management of priorities through the use of big data, data analytics, and visualization tools.
- 1.21 The program is also aligned with the Sector Strategy for Institutions for Growth and Social Welfare (document GN-2587-2), as regards the aspects of institutions for

innovation and technological development, and public sector management and finance, specifically through improving policies and governmental action in the ICT sector and strategic planning, respectively. It is also consistent with the IDB Country Strategy with Colombia 2019-2022 (document GN-2972) through: (i) the strategic area of “public management effectiveness” and the strategic objective “raise the quality of expenditure and public investment management capacity at all levels of government,” thanks to the strengthening of key CoG functions (paragraphs 1.24 and 1.25); (ii) the strategic area of “economic productivity” in the strategic objective “spurring innovation and development in business and agriculture,” principally resulting from delivery of the government priorities of productivity, entrepreneurship, and revitalization; rural development; job training; and comprehensive intervention in strategic zones (paragraphs 1.9 and 1.24); and (iii) the strategic area of “social mobility and consolidation of the middle class” in the strategic objectives “continue to reduce poverty and eliminate extreme poverty,” resulting from delivery of the government priority poverty/equity; “reduce informality in the economy,” and “increase equitable access to quality basic services,” derived principally from fulfillment of the government priorities of productivity, entrepreneurship, and revitalization; rural development; job training; and comprehensive intervention in strategic zones (paragraphs 1.9 and 1.24). Lastly, it is included in the 2019 Operational Program Report (document GN-2948).

- 1.22 The program is also aligned with two national strategies: (i) the [Foundations of the PND-2018-2022 “Pact for Colombia, Pact for Equity”](#), currently in preparation, which sets forth specific objectives for improving the efficiency of government interventions;<sup>33</sup> transforming the public administration and effective public spending; and improving the efficiency and productivity of the sectors’ public bodies’ management and capacities; and (ii) the 2019-2022 institutional strategic plan of the Administrative Department of the Presidency of the Republic (DAPRE), especially its objectives geared towards strengthening public policies for legality, national security, and transparency; and the generation of timely, appropriate, and efficient mechanisms for delivery of the presidential functions.

## **B. Objectives, components, and cost**

- 1.23 **Program objectives:** The general objective of the operation is to improve the effectiveness of the management of government priorities in Colombia by strengthening key CoG functions. The specific objectives are to: (i) improve quality in the delivery of government priorities, including planning and monitoring and evaluation capacities; and (ii) improve the efficiency and quality of information for managing government priorities. The program will be implemented through two components:
- 1.24 **Component 1. Strengthening of delivery management capacities (US\$7.97 million).** This component seeks to improve quality in the delivery of government priorities. It will finance the following activities; (i) design and

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<sup>33</sup> Source: DNP (2018).

implementation of a delivery management model (DMM).<sup>34</sup> The DMM will contain a training plan that includes change management strategies to be applied in the 36 bodies responsible for implementing the nine government priorities;<sup>35</sup> (ii) performance of rapid assessments (DeepDives<sup>36</sup>) and/or development of specialized intervention strategies to support management of government priority execution and delivery; (iii) support for monitoring and analysis of the government priorities, as well as for coordinating and incorporating best practices and public-private knowledge into plans for delivering them; and (iv) support for management of the REDAP government priority, which includes: (a) preparation of diagnostic assessments on key issues for establishing the REDAP delivery plan; and (b) design and implementation of the delivery plan based on the diagnostic assessments performed.<sup>37</sup>

- 1.25 **Component 2. Strengthening of information management and analysis capacities (US\$6 million).**<sup>38</sup> This component seeks to improve the efficiency and quality of information for managing government priorities. It will finance the design and implementation of a management information system for the Presidency of the Republic, to include: (i) definition and development of the data analytics functionalities and integration of the government information systems, to process big data that affect the management of government priorities;<sup>39</sup> (ii) design and implementation of a tool to visualize georeferenced information, to include a control

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<sup>34</sup> The DMM, to be developed with the program, contains the methodology and institutional framework for the Government of Colombia to manage its priorities. This framework includes the review and definition of institutional arrangements for developing the DMM in the entities responsible for implementing government priorities that will ensure adoption, sustainability, and escalation; multisector and multilevel government coordination protocols; facilitation for preparing delivery strategies and methodologies; and the development of monitoring and performance-improvement mechanisms.

<sup>35</sup> Prior to implementation of the DMM, the CGC has designed a network for managing the 9 established government priorities, made up of around 100 administrative and/or technical staff with decision-making capacity, from the 36 entities involved for a total of 200 by project end (paragraph 1.9). With the change of government to take place in 2023, training activities are planned for at least the same number of civil servants.

<sup>36</sup> Analyses and/or evaluations performed by a team of CoG subject specialists to verify, in the field, the effectiveness of the interventions provided for in the pathways for delivery of the established government priorities. The results of these analyses serve as inputs for making specific adjustments to the delivery pathways and for optimizing the achievement of results. More information in Barber, M. (2015), *How to run a government*, Penguin, London.

<sup>37</sup> The purview of the diagnostic assessment and delivery plan defined by the Presidency of the Republic will focus on two key issues: (i) transparency and (ii) simplification and digitization of priority proceedings.

<sup>38</sup> ICT technical analysis. [Optional link 4.](#)

<sup>39</sup> The tools to be procured will: (i) make “transactional” information available that facilitates the construction of control panels for the government priority delivery pathways; (ii) automatically capture source and/or supplementary contextual information from crosscutting government systems (like the DNP’s SINERGIA system) and from source systems at the entities involved in managing the government priorities defined by the Presidency of the Republic, in order to perform contextual and prospective analyses and forecasting for decision-making. For SINERGIA/DNP, the program includes support for developing web services and, where necessary, for defining information exchange protocols using the existing computing structure.

panel; (iii) holding training and change management activities on using the system;<sup>40</sup> and (iv) procuring infrastructure and technological support services.<sup>41</sup>

- 1.26 **Program management.** Project management, evaluation, and auditing costs equivalent to 7% of the loan proceeds (US\$1.03 million) have been identified.
- 1.27 **Principal beneficiaries.** The principal beneficiaries of this program are the inhabitants of Colombia, who will receive more timely, higher quality services as a result of improved government effectiveness. Other beneficiaries are the Presidency of the Republic (especially the Office of the Presidential Adviser for Management and Delivery (CGC) and the Office of the Presidential Adviser for Innovation and Digital Transformation, CITD), which will acquire strategic information and processes for decision-making, and the public sector institutions (principally those involved in the nine government priorities and the DNP), which will benefit from improved coordination and decision-making and delivery management capacities.

### C. Key results indicators

- 1.28 **Expected outcomes.** The operation's principal impact will be improved government effectiveness for the benefit of citizens, which will be reflected in a higher rating for Colombia on the government effectiveness index. This will result from the following outcomes, among others: (i) improved capacity for managing the delivery of government priorities; and (ii) improved management of government priorities through the use of ICT.
- 1.29 **Economic analysis.** According to the economic analysis performed, the program is cost-effective in the base scenario, in which there was a 9.24% efficiency gain. In this scenario, the social internal rate of return<sup>42</sup> (IRR) was 75% with a benefit/cost ratio of 3.90 and a net present value (NPV) of US\$37,037,675, meaning the program is cost-effective. Based on the sensitivity analysis, efficiency gain was identified as the sensitive variable, explaining 100% of the NPV variation. In the conservative scenario, where the efficiency gain is 7%, the program's IRR stays 56% higher than the 12% established by the Bank. In this unfavorable scenario, the benefit/cost ratio comes in at 2.96, meaning that approximately US\$2.96 would be recovered for every dollar invested, showing that the program continues to be cost-effective even under more demanding conditions. In both cases the discount rate used was 12% (see the [economic analysis](#)).

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<sup>40</sup> With the implementation of the management information system, training will be provided for 100 administrative and technical staff from the DAPRE systems offices, the 36 entities, and the DNP for a total at project end of 200. Further, with the change of government in 2023, training activities are planned for at least the same number of civil servants.

<sup>41</sup> This includes the purchase of hardware and licenses, as well as the contracting of services for maintaining and updating the ICT tools. These purchases and services should adhere to the existing DAPRE cybersecurity protocols. No additional purchases are planned for cybersecurity or for the development of civil works.

<sup>42</sup> The IRR is defined as the intertemporal discount rate at which the project's net revenue only just covers the costs of investment, operation, and sacrificed profitability. In other words, it indicates the opportunity interest rate for which the project will be minimally acceptable. Mokate, Karen (2004). *Evaluación Financiera de Proyectos de Inversión*.



- 1.30 Three assumptions were made when calculating the program's benefits:<sup>43</sup> (i) the discount rate used was 12%, following Bank standards; (ii) one of the government priorities with a high public value (poverty/equity) was taken as a proxy, so as to not overestimate the program's benefits. For 2019, the government initiatives provide for annual investments of US\$122,365,419 in poverty/equity issues;<sup>44</sup> and (iii) based on Speklé and Verbeeten (2014), the efficiency of the activities monitored by the CGC, including those supporting the government priority of poverty/equity, will be assumed to improve by 9.24%. That is to say, the program will improve quality, including faster execution and better delivery.

## II. FINANCING STRUCTURE AND MAIN RISKS

### A. Financing instruments

- 2.1 This operation is structured under the specific investment loan modality, as a charge of \$15 million against the Bank's ordinary capital. The operation does not have a local counterpart. The executing agency has planned to execute all of the project activities in four years. Table 1 shows the consolidated budget by component; details can be found in the [itemized budget](#). The execution period (see Table 2) is defined based on the following criteria: (i) the average time needed to design and implement the activities proposed in the program; and (ii) alignment with the DAPRE-2018-2022 institutional strategic plan, especially with the objectives that seek to strengthen public policies promoting legality, national security, and transparency; and the generation of timely, appropriate, and efficient mechanisms for delivery of the presidential functions.

**Table 1. Estimated program costs (US\$)**

Component	IDB	%
<b>Component 1:</b> Strengthening of delivery management capacities	7,974,000	53
<b>Component 2:</b> Strengthening of information management and analysis capacities	6,000,000	40
<b>Program management</b> (coordination, audits, and evaluations)	1,026,000	7
<b>Total</b>	<b>15,000,000</b>	<b>100</b>

<sup>43</sup> For more details on the assumptions used, see the [economic analysis](#).

<sup>44</sup> Although the poverty/equity government priority includes four categories, only one was considered in the cost-benefit analysis, to ensure a reasonable economic analysis that would not overestimate the social IRR. Source: CGC data. Poverty/equity category – access to potable water and basic sanitation services.

**Table 2. Tentative disbursement schedule (US\$)<sup>45</sup>**

Source	Year 0	Year 1	Year 2	Year 3	Year 4	TOTAL
IDB	863,700	4,390,195	4,146,032	3,708,254	1,891,819	15,000,000
% per year	5.8	29.3	27.6	24.7	12.6	100

## **B. Environmental and social risks**

- 2.2 In accordance with the Bank's Environment and Safeguards Compliance Policy (document GN-2208-20, operational policy OP-703), the operation was classified as category "C." It will not finance any physical infrastructure components and thus no associated environmental or social risks are foreseen.

## **C. Fiduciary risks**

- 2.3 As part of the operation design, a risk management exercise was performed following Bank methodology, with the participation of employees of DAPRE as the executing agency. This exercise identified the following medium risks: (i) in the case of financial management, the executing agency's limited fiduciary capacity for handling loan operations with Bank policies; and (ii) in the case of procurement, the executing agency's limited capacity for managing procurement processes with Bank policies. Mitigation measures include: (i) the hiring of financial and procurement specialists with knowledge of the Bank's operations, as well as the hiring of an ICT expert to lead the design and implementation of the management information system, and a program technical coordinator to coordinate the operation of the Office of the Adviser and the loan with the operating procedures for which the Office of the Assistant General Director is responsible; and (ii) the design, implementation, and adoption of the program Operating Regulations.

## **D. Other risks and key issues**

- 2.4 The following risks were identified in the design stage:
- Development.** The following were classified as high risk: (i) resistance from the ministries and the entities involved in managing government priorities, which could affect implementation of the delivery management model (DMM). The following program activities were defined as mitigation measures: the review and establishment of institutional arrangements for implementing the DMM at the ministries and agencies involved in managing government priorities; the formulation of protocols for coordinating the different sectors and levels of government; facilitation of the preparation of delivery strategies and methodologies; and the development of monitoring and performance-improvement mechanisms. Furthermore, a training plan for developing capacities at the institutions involved, as well as change management activities (paragraph 1.24); and (ii) inadequate coordination of the Office of the Presidential Adviser for Management and Delivery (CGC) and Office of the Presidential Adviser for Innovation and Digital Transformation (CITD) (which

<sup>45</sup> Given the program's execution times and its duration (4 years), for reference, the second half of 2019 is taken as Year 0 (program preparation) and the second half of 2023, as Year 4 (program closing). The column "Year 0" is included to show the resources to be used in the technical preparation of the program during that period, considering the approval schedule and the DAPRE's annual fiscal reserve authorized by the Ministry of the Treasury and Public Credit.



form part of DAPRE), the Ministry of Information and Communications Technologies (MINTIC), and the agencies involved, which will affect the establishment and implementation of the REDAP delivery plan. To mitigate this risk, four actions have been planned: (a) Bank support for DAPRE in preparing the program Operating Regulations, based on experiences and best practices derived from the execution of other programs. The degree of support for and responsibility of each DAPRE unit participating in the program will be specified; (b) formation of a program steering committee with the participation of the CGC and the CITD to ensure proper coordination; (c) creation of a CGC, CITD, and MINTIC working group to ensure coordination of the established REDAP delivery plan; and (d) strengthening of capacities in the ministries and agencies involved, through the Component 1 activities (paragraph 1.24) of designing and implementing the DMM and a training plan incorporating change management strategies, to be applied in the ministries and agencies responsible for implementing government priorities (activity i); and support for management of the REDAP government priority (activity iv), which ensure resources for the development of delivery plans at the entities involved.

- b. **Public management and governance.** The possibility that the CGC, as a new Presidency of the Republic unit, could be resisted by other actors with relatively similar mandates, was identified as a medium risk. Two measures have been established to mitigate this risk: (i) dissemination of the decree on the DAPRE restructuring, which establishes how the CGC will work vis-à-vis the other institutions; and (ii) implementation of the DMM, which provides for execution of protocols with specific routines and roles for all of the parties involved, as well as implementation and execution of the training plan and change management activities.

- 2.5 **Sustainability.** Three measures have been stipulated to ensure program sustainability, namely: (i) institutional arrangements. Of note is the creation of the CGC in the Presidency of the Republic, which will ensure that CoG functions are institutionalized. This new institutional structure includes permanent staff and a budget for baseline operations, which DAPRE will progressively increase over time. The program's progress and outcomes will provide DAPRE with the necessary inputs for planning and allocating the human, technological, and financial resources necessary for ensuring the adequate exercise of the CoG functions over the long term. The operation also backs DAPRE's commitment to keep the systems being financed by the program, as well as the inventory and maintenance of the acquired assets, up to date and operating; (ii) activities and outputs for the transition to the new government. Taking into account that in year three of the program (2022), there will be a change of administration in Colombia, the program provides for specific activities and resources for training and managing change with the new authorities. Likewise, the operation's outputs are aimed at building capacities to allow future governments to fulfill the CoG functions. Two specific outputs stand out: (a) design and implementation of the DMM, which includes manuals, procedures, routines, outlines of the necessary capacities for adoption, and a training plan for the various government bodies; and (b) design and implementation of the Presidency's management information system, which will make it possible to transfer the institutional memory of the process and will provide instruments for managing the government priorities of this and future

administrations. Furthermore, the program execution unit and the program steering committee will make it possible to transfer the program's outcomes and progress to the new authorities, ensuring adequate continuity of program management and execution; (iii) strategic alignment and anchoring with government policies and commitments. The program's alignment with the DAPRE-2018-2022 institutional strategic plan is a notable continuity measure, and the outcomes will make it possible to generate inputs for developing DAPRE plans and planning instruments for 2022 and beyond. Moreover, the actions that have been designed align with the [Foundations of the PND Pact for Colombia, Pact for Equity 2018-2022](#),<sup>46</sup> currently under discussion; they incorporate the importance of the CGC's strategic role, ensuring long-term institutionalization. They also align with the national government's guidelines, like the MINTIC's ICT policies, the [Digital Government Policy \(MINTIC, 2018\)](#), and guidelines for strengthening the public management of the Administrative Department of the Civil Service, which should be in place in the country for the long term. Lastly, Colombia's accession to the OECD (sanctioned in [Law 1950/19](#)) will entail the delivery and institutionalization of commitments to good governance, including the implementation of CoG functions in the country.

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Summary of implementation arrangements

- 3.1 **Execution mechanism.** The borrower will be the Republic of Colombia and the executing agency will be DAPRE, to be supported by a program execution unit and a team made up of one program technical coordinator,<sup>47</sup> a procurement specialist with experience in multilateral banking matters, and an ICT specialist, as well as by DAPRE's crosscutting operational areas. Within DAPRE, the program execution unit will have autonomy on matters of approving program procurement and hiring processes.
- 3.2 DAPRE's institutional capacities were analyzed using the Bank's Institutional Capacity Assessment System. The final results of the assessment suggest that DAPRE possesses the capacity to execute the program. The fiduciary agreements and requirements establish the framework for the financial management and planning, as well as for the supervision and execution of procurement processes for program execution.
- 3.3 **Internal coordination mechanisms.** Within DAPRE, the CGC will be responsible for strategic management of the program. As the top authority, it will be responsible for making technical decisions and settling any disputes that could arise during loan execution. The program execution unit, which will report directly to the CGC, will handle the operational coordination of the program. In this role, the program execution unit will coordinate the actions of the DAPRE technical and operational units involved in execution. It will also be responsible for ensuring compliance with the execution requirements established by the Bank.

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<sup>46</sup> DNP. Alignment with the national government's transformational targets and sector priorities, pp. 1150 – 1151.

<sup>47</sup> Who will perform the program's planning and monitoring activities.

- 3.4 To ensure coordination and proper program execution, DAPRE will create a program steering committee. The Presidential Adviser for Management and Delivery will chair the steering committee and the program execution unit will be its technical secretariat. The steering committee will be made up of: the Presidential Adviser for Innovation and Digital Transformation, the program technical coordinator,<sup>48</sup> and the DAPRE assistant general director. This committee will be responsible for: (i) ensuring the program technical, financial, and administrative matters are managed in coordination with the relevant DAPRE areas;<sup>49</sup> (ii) maintaining coordination between the CGC and the CIRD, specifically for the activities associated with the REDAP government priority; and (iii) serving as an advisory body on disputes derived from execution of the contracts, and monitoring execution of the loan proceeds. Greater detail on the execution mechanism can be found in the program's [Operating Regulations](#).
- 3.5 **External coordination mechanisms.** The CGC will be in charge of coordinating the 36 entities involved in managing delivery of the nine government priorities defined in the program (paragraph 1.9). This coordination will primarily take place in connection with the design and implementation of the DMM; the actions for monitoring and analyzing the nine government priorities (Component 1, paragraph 1.24); and through the entities' participation in the informative reports in the management information system (Component 2, paragraph 1.25). The CGC will lead the working groups, meetings, and/or mechanisms that it deems worthwhile to ensure proper implementation of these program activities. Furthermore, a specific working group will be created to ensure coordination of the REDAP delivery plan among the CGC, the CIRD, and the MINTIC (paragraph 2.4a). Greater detail on the coordination mechanism can be found in the [program Operating Regulations](#).
- 3.6 **Special contractual conditions precedent to the first disbursement of the financing. The executing agency will submit evidence to the Bank that: (i) the [program Operating Regulations](#) and the program steering committee have entered into force under terms previously agreed upon with the Bank, establishing the guidelines, procedures, and mechanisms for coordination to be followed by the executing agency for successful program execution; and (ii) all program execution unit staff have been appointed,** to ensure the program's quality and completeness (paragraph 3.1).
- 3.7 **Procurement of works, goods, and nonconsulting services.** Procurement processes partially or fully financed with Bank resources must be conducted in line with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-9). The [procurement plan](#) specifies the procurement processes to be implemented during program execution.
- 3.8 **Disbursements.** Disbursements will be made according to the advance of funds method, based on the liquidity needs for a period of up to six months; accountability

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<sup>48</sup> Who will serve as the Technical Secretary of the Committee.

<sup>49</sup> Specifically, the Administrative and Financial Department (and its support areas), the Planning Office, and the Technologies area.

for the advance payments will be ensured as set forth in operational policy OP-273-6 "Financial Management Guidelines for IDB-financed Projects." In addition to the flow of funds forecast, requests for disbursements must be accompanied by the reconciliation of the special account and a statement of compliance with the technical and fiduciary performance commitments. Expenses will be justified using the exchange rate of the conversion of the funds disbursed in United States dollars (US\$) to Colombian pesos (COP); that is to say, the monetization rate. Documents will be reviewed ex post.

- 3.9 **Audits.** Program financial statements will be audited annually by an independent auditing firm satisfactory to the Bank, within the 120 days following the close of each fiscal year during the original disbursement period or the extension thereof, if applicable. The final audited financial statement will be submitted within the 120 days following the date stipulated for the final disbursement, in accordance with the procedures and terms of reference previously agreed upon with the Bank.

**B. Summary of arrangements for monitoring results**

- 3.10 **Monitoring by the executing agency.** The executing agency will use the following documents to monitor the program: (i) the results matrix; (ii) [program execution plan](#); (iii) monitoring and evaluation plan; (iv) [procurement plan](#); (v) program risks management matrix; (vi) program monitoring report; (vii) semiannual progress reports; and (viii) the program's audited financial statements. The program execution unit will prepare consolidated semiannual progress reports for Bank review, to be sent no later than 30 days after the end of each six-month period.
- 3.11 **Monitoring by the Bank.** The Bank will conduct administration missions or inspection visits, depending on the importance and complexity of program execution, according to the schedule defined in the program execution plan, which will identify the points at which the Bank's technical supervision is deemed necessary; the Bank agrees that the executing agency will use the program monitoring report.
- 3.12 In addition, an annual meeting will be held with the executing agency and the Bank, to discuss the following: (i) progress on the activities identified in the [annual work plan](#); (ii) the level of compliance with the indicators established in the results matrix; (iii) the annual work plan for the following year; and (iv) the [procurement plan](#) for the next 12 months and possible modifications of the budget by component. The executing agency commits to maintaining a program monitoring and evaluation system, on the basis of which it will prepare the reports and data to be sent to the Bank. The program execution unit program technical coordinator will be responsible for program planning and monitoring.
- 3.13 **Evaluation.** Achievement of the outcome and impact targets contained in the results matrix will be verified through program midterm, final, and impact evaluations. The midterm evaluation (capacity review) is planned for 90 days after the date when 50% of the loan amount has been disbursed or two and a half years have elapsed since the entry into force of the loan contract, whichever occurs first.
- 3.14 The Bank will perform a final evaluation as part of the project completion report, to be started once 95% of the funds have been disbursed and submitted within the following 180 days. Inputs for this report will be the periodic progress reports, the

results matrix indicators, the audited financial statements, the results of the impact assessment, and the other outcomes obtained. The final evaluation will include an ex post economic evaluation, which will calculate the true cost/benefit of the intervention using the cost/benefit analysis methodology that was used in the ex ante economic analysis. The [monitoring and evaluation plan](#) will detail the applicable terms of reference to ensure the ex post economic evaluation.

- 3.15 The objective of the impact assessment will be to measure the program's results and impact according to the standards agreed upon with the Bank. The [monitoring and evaluation plan](#) explains the methodology to be followed in detail. This methodology proposes using: (i) the synthetic control method for impact indicators. This method is used for data with a high level of aggregation when there is a time series with only one treated unit; and (ii) the "before and after" (without trend) method for evaluating the outcome indicators. This method will be used for the indicators for which the data is at the aggregate level (for the entire country). The evaluation will be performed before the operation is closed and will be financed by the program. This evaluation will be important for the Bank as, for the first time, it will make it possible to evaluate the impact of the CoG on improving delivery management, institutional performance, and public policy execution, as well as its contribution to bridging gaps and providing services to citizens.

Development Effectiveness Matrix		
Summary		
I. Corporate and Country Priorities		
1. IDB Development Objectives	Yes	
Development Challenges & Cross-cutting Themes	-Social Inclusion and Equality -Productivity and Innovation -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 (#)*	
2. Country Development Objectives	Yes	
Country Strategy Results Matrix	GN-2972	(i) increase the quality of spending and the management capacity of public investment at all levels of government; (ii) stimulate innovation and business and agricultural development; (iii) continue to reduce poverty, and eliminate extreme poverty; (iv) reduce the informality of the economy; and (v) increase equitable access to quality basic services.
Country Program Results Matrix	GN-2948	The intervention is included in the 2019 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		
3. Evidence-based Assessment & Solution		7.0
3.1 Program Diagnosis		1.5
3.2 Proposed Interventions or Solutions		4.0
3.3 Results Matrix Quality		1.5
4. Ex ante Economic Analysis		7.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		0.0
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		1.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		8.0
5.1 Monitoring Mechanisms		2.5
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Low
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. Procurement: Information System.
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		

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

#### Evaluability Assessment Note:

The main goal of the operation is to improve the effectiveness in the management of Government Priorities (GP) in Colombia by improving quality compliance management as well as information efficiency and quality. To achieve this end, the operation focuses on two specific areas in which the project intervenes. The focus of the first area is to improve the quality of the model of GP planning, measurement, and monitoring. The second area focuses on improving the efficiency and quality of the management, systems, and knowledge of the strategic information of the GP. Each of these areas defines a component. The document includes a description of the gaps that lead to the weakness on each of these areas.

The economic analysis provides a quantification of the improvement of GP compliance in the energy sector. This improvement is associated with the activities monitored by the *Consejería de Gestión*, which will generate savings in the energy sector through improved execution times and compliance. The analysis concludes with a net present value of US\$37,037,675 and an Internal Rate of Return of seventy five percent (75%).

The monitoring is based on reports from the *Departamento Administrativo de Presidencia de la República*. The ex-post evaluation includes an impact evaluation that identifies improvements on the use of information to achieve strategic priorities. The evaluation is based on synthetic control methodology for impact effects, as well as before and after methodologies for the results.

Two out of five risks were identified and classified as high. The main risks are the resistance of the Ministries and other organizations involved to implement the compliance management model, as well as inadequate coordination. Therefore, risk mitigation measures include improvements in institutional arrangements; management of changes trainings; the drafting of operational regulations; and the establishment of a program management committee.

## RESULTS MATRIX

<b>Project objective:</b>	The general objective of the operation is to improve the effectiveness of the management of government priorities in Colombia by strengthening key center of government (CoG) functions. The specific objectives are to: (i) improve quality in the delivery of government priorities, including planning and monitoring and evaluation capacities; and (ii) improve the efficiency and quality of information for managing government priorities.
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## EXPECTED IMPACT

Indicators	Units	Base-line	Base-line year	Year 0 <sup>1</sup>	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
<b>IMPACT 1. Improved government effectiveness</b>											
Government effectiveness index	Number	-0.07	2017	-0.07	-0.07	-0.07	-0.07	0.15	0.15	<b>Source:</b> Worldwide Governance Indicators project - World Bank  <b>Responsible for gathering and reporting data:</b> Office of the Presidential Adviser for Management and Delivery (CGC - gathering); DAPRE (program execution unit, - reporting)	<p>The program is expected to lead to improved delivery of government priorities, enabling Colombia to improve the effectiveness of its government by program end.</p> <p>The Worldwide Governance Indicators government effectiveness index is used for measurement. This indicator measures the perceptions of the quality of the public administration and services, as well as of the public policies and the governments' credibility for executing them.</p> <p>The index rating reference range is -2.25 (weak) to 2.25 (strong). The higher the value, the better quality of government.</p> <p>Baseline and programming: Based on <a href="#">Colombia's 2017 results</a> of -0.07. Colombia's rating</p>

<sup>1</sup> Given the program's execution times and its duration (4 years), for reference, the second half of 2019 is taken as Year 0 (program preparation) and the second half of 2023, as Year 4 (program closing). The Year 0 column is included to show the resources for the technical preparation of the program.

Indicators	Units	Base-line	Base-line year	Year 0 <sup>1</sup>	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
											<p>is expected to improve at the end of the program, from -0.07 to 0.15. It is assumed that without the program, government effectiveness would not change significantly. Both components will contribute to the expected effects.</p> <p>The target was estimated by considering Colombia's top rating of 0.07 in 2013 and using the results observed in two countries in the region over a 10-year period (2007-2017) as a reference, to wit: Argentina (0.16/2017 and 0.17/2016 (maximum)) and Chile (0.85/2017 and 1.28/2007 (maximum)).</p> <p>With this target, Colombia would significantly improve its rating, as well as surpass the rating obtained in 2017 by countries with a similar level of institutional development, like Mexico (0.03) and Peru (0.13).</p> <p><b>Formula:</b> Colombia government effectiveness index rating 2022/Colombia government effectiveness index rating 2017.</p>



EXPECTED OUTCOMES

Indicators	Units	Baseline	Baseline Year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
<b>OUTCOME 1: Improved capacity for delivery of government priorities</b>											
1.1. Improved government rating on the delivery capacity review index	Number	2.21	2018	2.21	2.21	2.60	2.60	3.0	3.0	<p><b>Source:</b> Delivery capacity review (IDB)</p> <p><b>Responsible for gathering and reporting data:</b> CGC (gathering); DAPRE (program execution unit) (reporting)</p>	<p>The aim of the program is to improve the delivery management capacities of the government entities involved in managing government priorities by closing the gaps identified to exist without the program. This closing of gaps will be assessed against the rating obtained by Colombia in the <a href="#">2018 index</a> at two points: midway through and at the end of the program. The delivery capacity review index provides ratings on a scale from 1 (low) to 4 (high), weighting five dimensions associated with delivery management capacities.</p> <p><b>Baseline and programming:</b> The baseline is Colombia's 2018 index rating (2.21), which situates the country at a medium-low level. Halfway through the program, after implementation of the delivery management model (DMM), Colombia's rating is expected to improve by 0.39 points to reach 2.60. At program end, the rating should have improved to 3.0, placing the country in the medium-high range.</p> <p><b>Formula:</b> Final rating/total rating obtained in 2018 See Table 6 - <a href="#">monitoring and evaluation plan</a>.</p>

Indicators	Units	Baseline	Baseline Year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
<b>OUTCOME 2: Improved management of government priorities through the use of ICT</b>											
2.1. Priorities managed through the use of big data, data analytics, and visualization tools	Number	1/9	2018	1/9	1/9	3/9	5/9	6/9	6/9	<p><b>Source:</b> Presidency of the Republic information analysis and management system</p> <p><b>Responsible for gathering and reporting data:</b> CGC (gathering); DAPRE (program execution unit) (reporting)</p>	<p><b>Baseline and programming:</b> The CGC has defined nine government priorities: land registration and legalization; comprehensive intervention in strategic zones (ZEII); productivity, entrepreneurship, and revitalization; advancing the countryside; job training; the orange economy; Venezuela: support for the migrant population; poverty/equity; and digital reform of the public administration (REDAP). The indicator uses a baseline of 1/9 government priorities as a reference, taking into account the prior development of a visualization pilot using big data and analytics.</p> <p>The planned targets are calculated as follows: In years 0 and 1 the baseline is maintained, with no actions carried out. In year 2, 2 government priorities are implemented. In year 3, 2 more are implemented. In year 4, 1 more is implemented, for a total of 6 government priorities, that is, more than half of the government priorities by project end.</p> <p><b>Formula:</b> Number of government priorities managed through the use of big data, data analytics, and visualization tools/total government priorities defined by the project</p> <p>See Table 6 - <a href="#">monitoring and evaluation plan</a>.</p>

OUTPUTS

Outputs	Units	Baseline	Baseline year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
<b>Component 1: Strengthening of delivery management capacities (US\$7,974,000)</b>											
1.1. Delivery management model (DMM) and training plan to be applied in the ministries and agencies responsible for implementing government priorities, designed and implemented	Document (DMM and training plan)	0	0	0	0	1	0	0	1	<ul style="list-style-type: none"> <li>DMM and training plan approved by DAPRE - CGC</li> <li>Administrative decision to adopt the DMM</li> <li>Progress reports and outcomes of implementation of the DMM and the training plan</li> </ul>	
1.2. Civil servants trained on the DMM	Civil servants trained	0	0	0	50	50	50	50	200	<ul style="list-style-type: none"> <li>Workshop attendance lists</li> <li>Progress reports and outcomes of the training activities</li> </ul>	The CGC has outlined a management network for the 9 established government priorities, made up of 100 administrative and/or technical staff with decision-making capacities at the 36 entities. With the change of government in 2023, training activities are planned for, at a minimum, the same number of civil servants, for a total at project end of 200.

Outputs	Units	Baseline	Baseline year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
1.3. Deep dives performed and/or specialized intervention strategies enacted to support management of the execution and delivery of government priorities	Document (assessments/ strategies)	0	0	2	6	6	2	2	18	Progress and outcome reports on the assessments performed and intervention strategies enacted	At least two assessments were performed and/or strategies were enacted per priority. In year 3 (2022) and 4 (2023), the program will support the review and definition of strategies for the government priorities of the new government, to ensure the program's continuity and sustainability.
1.4. Best practices and public/private knowledge coordinated and incorporated into the monitoring and analysis of government priorities	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.5. Monitoring and analysis of government priority 1	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.6. Monitoring and analysis of government priority 2	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.7. Monitoring and analysis of government priority 3	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	

Outputs	Units	Baseline	Baseline year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
1.8. Monitoring and analysis of government priority 4	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.9. Monitoring and analysis of government priority 5	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.10. Monitoring and analysis of government priority 6	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.11. Monitoring and analysis of government priority 7	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.12. Monitoring and analysis of government priority 8	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.13. Monitoring and analysis of government priority 9 REDAP (transparency)	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	
1.14. Monitoring and analysis of government priority 9 REDAP (simplification and digitalization of procedures)	Document (analysis and monitoring of government priorities)	0	0	1	1	1	1	1	5	Analysis and monitoring reports on government priorities approved by DAPRE-CGC	

Outputs	Units	Baseline	Baseline year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
1.15. Diagnostic assessments of key issues for defining the REDAP delivery plan	Document (diagnostic assessments in two areas: transparency and simplification and digitalization of priority procedures)	0	0	0	2	0	0	0	2	Diagnostic assessments approved by DAPRE - CGC	
1.16. REDAP delivery plan based on the diagnostic assessments, designed and implemented	Document (delivery plan)	0	0	0	0	0	0	1	1	Delivery plan approved by DAPRE-CGC Progress reports and outcomes of the delivery plan	
<b>Component 2. Strengthening of information management and analysis capacities (US\$6,000,000)</b>											
2.1. Data analytics functionalities defined and developed and government information systems integrated, to analyze data that affect the management of the government priorities	System (software)	0	0	0	0	0	0	1	1	<ul style="list-style-type: none"> <li>Management systems reports integrated</li> <li>Progress reports and outcomes of the integration of systems</li> <li>Progress reports and outcomes of the data analytics functionalities</li> </ul>	
2.2. Georeferenced information visualization tool designed and implemented	System (software)	0	0	0	0	1	0	0	1	<ul style="list-style-type: none"> <li>DAPRE administrative decision adopting the tool</li> <li>System reports</li> </ul>	

Outputs	Units	Baseline	Baseline year	Year 0	Year 1	Year 2	Year 3	Year 4	Final target	Means of verification	Comments
2.3. Civil servants trained and change management activities held	Civil servants trained	0	0	0	50	50	50	50	200	<ul style="list-style-type: none"> <li>Workshop attendance lists</li> <li>Progress reports and outcomes of training activities</li> </ul>	With the implementation of the information system, training should be provided for 100 administrative and technical staff from the DAPRE systems offices, from the 36 entities and the DNP, in support of the management network. With the change of government in 2023, training activities are planned for, at a minimum, the same number of civil servants, for a total at project end of 200.
2.4. Infrastructure services and software procured and operating <sup>2</sup>	Document (inventory of services procured and operating)	0	0	1	1	1	1	1	5	<ul style="list-style-type: none"> <li>DAPRE inventory reports of the services procured and operating</li> </ul>	

<sup>2</sup> Includes procurement of equipment and licenses, as well as the hiring of services to maintain and update the ICT tools. These purchases and services should adhere to the existing DAPRE cybersecurity protocols. No additional procurement items are planned for cybersecurity or civil works. Since these services will be procured on demand depending on the diagnostic assessment information, physical targets are not established herein.

## **FIDUCIARY AGREEMENTS AND REQUIREMENTS**

<b>Country:</b>	Colombia
<b>Project number:</b>	CO-L1243
<b>Name:</b>	Program to Strengthen Public Sector Strategic Management Capacities
<b>Executing agency:</b>	Administrative Department of the Presidency of the Republic (DAPRE)
<b>Fiduciary team:</b>	Miguel A. Orellana, Fiduciary Specialist in Financial Management (FMP/CCO); Eugenio Hillman, Lead Fiduciary Specialist in Procurement (FMP/CCO)

### **I. EXECUTIVE SUMMARY**

- 1.1 The executing agency will be the Administrative Department of the Presidency of the Republic (DAPRE). For program execution, DAPRE will have a program execution unit that reports directly to the Office of the Presidential Adviser for Management and Delivery (CGC). The program execution unit will be responsible for the execution and technical supervision of the program. In order to decide the execution structure, the FMP/CCO team considered the program's technical characteristics, the results of the institutional capacity assessment, and the Bank's knowledge and experience in managing projects with similar challenges.
- 1.2 The DAPRE institutional capacity assessment addresses the functions of planning; procurement; finance and accounting; human talent; and control, in five dimensions: operational strategy; processes and policies; people and organization; technology and data; and performance management. The IDB Institutional Capacity Assessment System tool was used as a guide to ensure that the assessment covered the minimum aspects. The assessment results show that DAPRE has a satisfactory level of development and low level of risk.
- 1.3 According to the public expenditure and financial accountability assessment, Colombia's public financial management system is mature and performs well in most areas; however, it still does not fully meet international standards. From a regulatory perspective, the public procurement system is adequate and consistent with internationally accepted practices, but its use for Bank financing has not yet been accepted. DAPRE uses the integrated financial management information system SIIF Nación 2 for budgetary, accounting, and cash management control, which are online.

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

- 2.1 Programming and paying out investments with foreign loan resources for the executing agency's mission-related activities are led by the Planning Office and the Administrative and Financial Department, in DAPRE's Office of the Assistant General Director.
- 2.2 DAPRE has an integrated system for managing the Presidency of the Republic (SIGEPRE). The planning; procurement; finance and accounting; human talent;



and control functions all fall within the scope of the SIGEPRE systems. However, DAPRE's organizational culture tends to keep mission-related functions separate from organizational support.

- 2.3 There is a predominantly operational approach to the financial and accounting and procurement functions. With regard to the latter, there is no one unit specifically responsible for identifying and promoting the adoption of best procurement practices; in fact, the responsibility of structuring and moving forward with procurement processes is left to staff in the user areas who lack procurement management experience. To improve procurement processes and ensure the availability of economic resources, DAPFRE should engage staff with experience in applying Bank procurement policies and in the accounting and financial management of foreign loan resources. Training will be provided for the project team on Bank-financed procurement at the start of execution and every year thereafter.
- 2.4 With regard to the internal control function, DAPRE has made progress on adopting the SIGEPRE as well as a culture of self-checking. However, 89% of DAPRE staff members are freely appointed and removed, meaning that with a new government team the executing agency will once again face the challenge of positioning the management system and strengthening self-checking practices. External fiscal control of the executing agency is exercised by the Office of the Comptroller General of the Republic (CGR).

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

- 3.1 In designing the operation, the Bank performed a risk management exercise, following its own methodology. It identified the following medium fiduciary risks: (i) the executing agency's limited fiduciary capacity for financially managing loan operations with IDB policies; and (ii) the executing agency's limited capacity for managing procurement processes with Bank policies. To mitigate these risks, the following mitigation measures have been proposed: (i) the hiring of financial and procurement specialists with knowledge of the Bank's operations, as well as an ICT expert to lead the design and implementation of the management information system; and a program technical coordinator who will coordinate the operation of the Office of the Adviser and the loan with the operating procedures for which the Office of the Assistant General Director is responsible; and (ii) the design, implementation, and adoption of the Program Operating Regulations.

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

- 4.1 DAPRE must provide justification of expenditures using the exchange rate for the payments made from the special account in United States dollars to Colombian pesos (monetization rate).
- 4.2 DAPRE must create the budget lines for the program resources based on the classification by components and distribution of resources defined in the "cost and financing" table of the loan contract, so that the program financial statements will be automatically generated by the SIIF Nación 2 integrated financial management information system.
- 4.3 DAPRE must submit the audited financial statements annually until the operation concludes. These statements must be audited by an independent audit firm selected and contracted under Bank policies, if possible, for multiple years,

pursuant to the procedures and terms of reference previously agreed upon with the Bank.

- 4.4 DAPRE must submit the program procurement plan, acceptable to the Bank, for the first 18 months, as well as the annual procurement plan described in Article 2.2.1.1.4.1 of Decree 1082 of 2015, for the first year of program execution.

## V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 5.1 **Procurement of works, goods, and nonconsulting services.** Contracts for works, goods, and nonconsulting services arising from the program and subject to international competitive bidding (ICB) will be executed using operational policy GN-2349-9 and the standard bidding documents issued by the Bank. In turn, bidding processes subject to national competitive bidding (NCB) will be executed using national competitive bidding documents agreed upon with the Bank. The project's sector specialist will be responsible for reviewing the technical specifications for procurement during the preparation of selection processes.
- 5.2 **Selection and contracting of consultants.** Contracts for consulting services generated under the project will be executed using the standard request for proposals agreed upon with the Bank or the standard request for proposals harmonized between the World Bank and Colombia Compra Eficiente.
- 5.3 The project's sector specialist is responsible for reviewing the terms of reference for contracting consulting services.
- 5.4 **Selection of individual consultants.** Governed by operational policy GN-2350-9.
- 5.5 **Training.** No special activities will be required for any training.

**Table 1. Threshold amounts (US\$)**

Works		Goods		Consulting services	
ICB	NCB (complex works)**	ICB	NCB (non-common goods)**	International advertising	Shortlist without nationality restrictions
10,000,000 or more	350,000 to 10,000,000	1,000,000 or more	50,000 to 1,000,000	200,000 or more	500,000 or less

\*\* Simple works and off-the-shelf goods valued less than the ICB amount may be procured using the shopping method.

\*\* Complex works and goods valued less than the NCB range may be procured using the shopping method.

**Table 2. Threshold amounts for ex post review (US\$)**

Ex post review threshold***		
Works	Goods	Consulting services
10,000,000	1,000,000	200,000

\*\*\* Ex post reviews are subject to policy GN-2349-9.

- 5.6 **Main procurement items.** Procurement items for the first 18 months are reflected in the [procurement plan](#) as a required link to the main document.
- 5.7 **Procurement supervision.** In the initial phase of the loan, procurements will be subject to ex ante review; the ex post review modality will be assessed by the

project team and potentially implemented after appropriate DAPRE staff training. Direct contracting processes are excluded and will always be reviewed ex ante.

- (i) Works: ex ante, unless the Bank specifies otherwise.
- (ii) Goods: ICB and NCB ex ante, unless the Bank specifies otherwise.
- (iii) Shopping: initially ex ante, and if the outcome is satisfactory, possibly ex post.
- (iv) Consulting firms: ex ante, unless the Bank specifies otherwise.
- (v) Individual consultants: ex ante, unless the Bank specifies otherwise.

- 5.8 **Records and files.** DAPRE will maintain complete records of the procurement processes. The program execution unit will handle documentation of the procurement processes following the document management guidelines set forth in the program Operating Regulations.

## VI. FINANCIAL MANAGEMENT

- 6.1 **Programming and budget.** The national government, acting through the Directorate General of the National Public Budget and the National Planning Department (DNP), is responsible for budgetary programming, which will conclude with the Congress of the Republic's approval of the Annual Budget Law. The loan proceeds will be included in the country's national budget, under the DAPRE heading, and will be controlled through the SIIF Nación 2 system.
- 6.2 **Accounting and information systems.** In Colombia, public accounting is governed by the country's General Accounting Office (CGN), which issues directives on accounting practices. The official public accounting system is the SIIF Nación 2 integrated financial management information system, which is the source for information transmitted to the CGN via the Treasury and Public Information Consolidation System (CHIP). DAPRE will use the SIIF Nación 2 for program budgetary, accounting, and cash management control. Transactions will be recorded on the accrual basis; however, the program's audited financial statements will be prepared on a cash basis and submitted to the Bank annually. To record transactions and prepare the financial statements, DAPRE follows the policies stipulated by the CGN and, for cases not covered thereby, Colombia's generally accepted accounting regulations, set forth in Decree 2649 of 1993 and Law 1314 of 2009.
- 6.3 **Disbursements and cash flow.** Resources from external sources will be executed through the SIIF Nación 2 system. To manage the project's liquid assets, DAPRE will open a special bank account denominated in foreign currency at Banco de la República, Colombia's central bank, in the program's name, to be exclusively used for the loan proceeds. DAPRE will submit the disbursement requests to the Bank. Disbursements will be made according to the advance of funds method, based on the real liquidity needs for a period of up to six months. New disbursements will be subject to substantiation of at least 80% of the previous advance, as established in operational policy OP-273-6 "Financial Management Guidelines for IDB-financed Projects." In addition to the forecasted flow of funds, requests for disbursements must be accompanied by the reconciliation of the special account and a statement of compliance with technical and fiduciary performance commitments (where applicable). Expense justifications will use the

exchange rate for the conversion of the funds disbursed in United States dollars (US\$) to Colombian pesos (COP); that is to say, the monetization rate. Documents will be reviewed ex post.

- 6.4 **Internal control and internal auditing.** DAPRE has an Internal Control Office. Internal control is based on applicability of the 2014 Standard Internal Control Manual and the principles of self-regulation, self-management, self-checking, and continuous improvement. Furthermore, there are risk maps for each of the processes included in the quality management system. The Internal Control Office is responsible for independently evaluating the internal control system through the internal auditing tool. It audits processes to verify the management thereof; that is to say, to ensure actions are completed as planned, and it assists with improvement plans from internal audits and the Office of the Comptroller General of the Republic.
- 6.5 **External control and reports.** The Office of the Comptroller General of the Republic performs the external control of DAPRE, through selective and ex post public audits to verify compliance with regulations, the proper use of resources, adherence to processes and procedures, the scope of the targets and objectives, etc. Since this Office is not currently eligible to audit projects financed with Bank resources, the program will use the services of an independent audit firm, which will perform the financial audit and produce an independent report.
- 6.6 The audited financial statements and eligibility of program expenditures will be audited annually by an independent audit firm satisfactory to the Bank, to be contracted by DAPRE. The auditing services will be financed with program resources, at an estimated cost of US\$200,000. The project's audited financial statements will be sent to the Bank within 120 days following the close of each fiscal year of the program, during the original disbursement period or the extension thereof if applicable. The final audited financial statement will be submitted within the 120 days following the date stipulated for the final disbursement, in accordance with the procedures and terms of reference previously agreed upon with the Bank.
- 6.7 **Financial supervision plan.** Based on the results of the capacity and project risk assessments, the financial specialist will make at least one site visit per year and perform desk reviews of the annual and final audited financial statements. The program auditor will verify that the loan proceeds are executed in compliance with Bank policies on fiduciary management and the conditions stipulated in the program Operating Regulations. The auditor will make inspection visits to DAPRE. These financial management supervision visits will include verification of the financial and accounting arrangements used for project management and monitoring of implementation of the recommendations issued by the independent project auditor as applicable, among other activities.
- 6.8 Colombia does not have a national policy on the public disclosure of audit reports. However, under the Bank's current information access and disclosure policy, the program's audited financial statements must be published on the Bank systems.
- 6.9 **Execution mechanism.** The borrower will be the Republic of Colombia and the executing agency will be DAPRE. DAPRE will use the SIIF Nación 2 integrated financial management information system for program budgetary, accounting, and cash management control, and will be responsible for the accounting information and for preparing the program financial statements. The program Operating

Regulations will define the functions of each of the agencies and departments involved, and of their members, as well as the mechanisms for coordinating information and documentation flows and executing their activities. The Operating Regulations will also go into further detail on the roles and responsibilities of the various agencies participating in execution of the operation.

- 6.10 DAPRE will execute the program through the program execution unit, whose staff must have experience in executing projects financed by multilateral banks. A program technical coordinator will be hired for the comprehensive management of the program and will report directly to the Presidential Adviser for Management and Delivery. The program execution unit will also have a procurement specialist, a financial specialist, and an ICT specialist. The program will be executed in accordance with the Operating Regulations. The operation will not have any coexecuting agencies.
- 6.11 **Other financial management agreements and requirements.** There are no agreements other than those discussed above. However, the fiduciary agreements and requirements included in this annex may be amended depending on program dynamics and based on updates to the risk analysis and the institutional capacity assessment performed during program execution.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/19

Colombia. Loan \_\_\_\_/OC-CO to the Republic of Colombia  
Program to Strengthen Public Sector  
Strategic Management Capacities

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 to Strengthen Public Sector Strategic Management Capacities. Such financing will be for the amount of up to US\$15,000,000 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 \_\_\_\_ 2019)