

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

COLOMBIA

**PROGRAM FOR STRENGTHENING INSTITUTIONAL MANAGEMENT
OF THE OFFICE OF THE ATTORNEY GENERAL**

(CO-L1225)

LOAN PROPOSAL

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ABBREVIATIONS

CGN	General Accounting Office
CGR	Office of the Comptroller General of the Republic
ICB	International competitive bidding
ICTs	Information and communications technologies
LIBOR	London Interbank Offered Rate
MINTIC	Ministerio de Tecnologías de la Información y Comunicaciones [Ministry of Information and Communications Technologies]
NCB	National competitive bidding
PEU	Program execution unit
PGN	Procuraduría General de la Nación [Office of the Attorney General]
PMC	Program management committee
SIIF	Integrated Financial Information System

PROJECT SUMMARY

COLOMBIA

PROGRAM FOR STRENGTHENING INSTITUTIONAL MANAGEMENT OF THE OFFICE OF THE ATTORNEY GENERAL (CO-L1225)

Financial Terms and Conditions				
Borrower: Republic of Colombia			Flexible Financing Facility ^(a)	
			Amortization period:	Bullet repayment, due 15 July 2030
Executing agency: Office of the Attorney General of the Nation (PGN)			Disbursement period:	4 years
			Grace period:	12.45 years ^(b)
Source	Amount (US\$)	%	Interest rate:	LIBOR-based
IDB (Ordinary Capital):	40,000,000	100	Credit fee:	^(c)
			Inspection and supervision fee:	^(c)
			Weighted average life:	12.45 years
Total	40,000,000	100	Approval currency:	United States dollar
Program at a Glance				
Program objective/description: The program's objective is to strengthen public oversight by improving the effectiveness of the Office of the Attorney General. Primarily, this will be achieved by: (i) improving the efficiency and coordination of the PGN's mission-related functions through an approach that focuses on an oversight cycle with change management and risk-mitigation tools; (ii) strengthening the efficiency of execution, coordination, and monitoring of decentralized functions; and (iii) promoting internal and external transparency and integrity.				
Special contractual clauses precedent to the first disbursement of the loan: The executing agency will submit evidence to the Bank of: (i) the entry into effect of the program Operating Regulations under the terms and conditions previously agreed upon with the Bank; (ii) the formation of the program execution unit (PEC) and the selection of at least the following PEC members: the program manager and four specialists (financial, procurement, planning and monitoring, and information technologies); and (iii) the formation of the program management committee (PMC) through a resolution issued by the PGN, designating its members (paragraph 3.6).				
Exceptions to Bank policies: None				
Strategic Alignment				
Challenges: ^(d)	SI <input type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>	
Crosscutting themes: ^(e)	GD <input type="checkbox"/>	CC <input type="checkbox"/>	IC <input checked="" type="checkbox"/>	

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

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

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

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

^(e) 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 **Background and rationale.** Latin America and the Caribbean have made significant financial and social progress in the past two decades. Accordingly, many countries in the region have reached the status of “middle-income countries.”¹ [1] From 2000 to 2016, average annual real growth in the region was 2.85%, based on International Monetary Fund data.[2] According to the World Bank, average per capita income from 1990 to 2015 increased from US\$7,200 to US\$13,000.[3]
- 1.2 Some of the main challenges that the region faces to further accelerating economic growth and improving development levels are to increase government effectiveness, ensure the transparency of public institutions,[4] and strengthen public oversight systems.[5] Based on the World Bank’s Worldwide Governance Indicators on government effectiveness, regulatory quality, and control of corruption, the region remained within the worldwide average in recent years, and it even slightly decreased in the global ranking.[6] The Edelman Trust Barometer report[7] concluded that in Latin America, corruption is the citizenry’s greatest fear.
- 1.3 The need to strengthen public oversight systems is based not only on increased corruption, but also on the growth of the public sector and institutions in many countries of the region. According to IDB data, central government spending in Colombia increased more than seven percentage points from 1994 to 2012. Data also show that public spending at the subnational level has steadily increased in the past 15 years.[8]
- 1.4 In this context, the strengthening of public oversight systems is characterized by innovations in information and data management. Specifically, the exponential growth in generating new data and information,[9] coupled with the possibilities offered by new technologies and social media, have forced changes in public administration oversight, moving to a data-based focus with increased emphasis on prevention. In addition, public oversight needs to be performed effectively, efficiently, and transparently—following a set of international standards and best practices to develop risk-based technical approaches and define strategies that promote citizen engagement.
- 1.5 While Colombia has made progress in implementing mechanisms that help improve public governance and transparency,²[10] trust in public institutions has diminished, mainly due to fears associated with corruption. Recent data indicate that the government is the least-trusted institution, with 41%, and that only 23% of Colombians trust public officials.[11] A 2017 Gallup poll showed that corruption is the country’s main problem, ahead of security (18%); the economy and purchasing power (25%); and others (25%). In addition, 85% of respondents reported that corruption in Colombia is getting worse.

¹ See [biographical references](#).

² Worth mentioning are the Open Government Index and the INTEGRA System, with which the PGN promotes a preventive focus in combating corruption.

- 1.6 Strengthening oversight and promoting transparency and integrity in Colombia are essential in a post-conflict scenario.³ This requires a strong institutional framework to ensure that efficient, quality services are provided, as well as a broad public sector agenda to accelerate Colombia's development with equity.[12] This entails advancing effective open-government strategies, preventing corruption, and promoting transparency.⁴[13] To this end, the Peace Accords that Colombia signed with the People's Army of the Revolutionary Armed Forces of Colombia call for the Office of the Attorney General (PGN) to undertake a series of institutional commitments, which will require capacity-building in order to address them effectively.⁵ The PGN's mandate in the Peace Accords is to perform oversight actions in such areas as transparency, integrity, and information management with a view to ensuring that the Accords are implemented. This will support the judicial intervention function.
- 1.7 One of the key actors in Colombia's public oversight systems framework is the Office of the Attorney General, an autonomous oversight agency that leads the Office of the Prosecutor General [Ministerio Público]. The latter office also includes the Office of the People's Advocate and municipal subdivisions of the Attorney General's Office. The PGN oversees the official conduct of all public servants, safeguards the exercise of administrative functions, and protects human rights. To that end, its purpose is to prevent entities that are bound by law from infringing the law or potential rights violations. It may investigate, intervene, and punish those who breach their official duties, as well as intervene before judicial authorities within the framework of its authority. The Attorney General is the head of the PGN. The Office of the Deputy Attorney General and the offices of delegate and/or auxiliary attorneys general focused on sector issues report to the Office of the Attorney General. At the national level, the PGN is decentralized into 32 regional, 50 provincial, and two district attorneys general offices. The PGN implemented the Program to Strengthen the Office of the Attorney General (phases I and II) (operations 1459/OC-CO and 2249/OC-CO). In the 2003-2007 period, the PGN, with support from the Bank, executed the first phase of the Program to Strengthen the Office of the Attorney General – Phase One (operation 1459/OC-CO). This operation helped to considerably increase PNG institutional capacity. The first phase included three components: (i) strengthening of mission-related functions; (ii) management system strengthening; and (iii) improving service to the public.
- 1.8 Once the first stage of modernization was complete, the PGN focused its efforts on prevention, which is considered its main responsibility among the broad powers that the Colombian legal system has bestowed on this agency. The main objective of the program's second phase (operation 2249/OC-CO) was to help enhance transparency in public management by increasing the degree of regulatory compliance. That program: (i) broadened the preventive function by strengthening the PGN's comprehensive prevention system; and (ii) bolstered PGN oversight of

³ In November 2016, the Colombian government and the People's Army of the Revolutionary Armed Forces of Colombia signed Peace Accords to put an end to nearly 50 years of armed conflict.

⁴ The institutional preparation strategy for peace and the post-conflict period includes strengthening an Anticorruption Unit and establishing a taskforce to investigate and indict public servants involved in organized crime. The PGN is part of this effort. Source: National Planning Department.

⁵ For the specific responsibilities and capabilities of the PGN regarding the Peace Accords, see [Explanatory note about the PGN's authority in the Peace Accords](#).

regulatory compliance to improve public management and prevent unlawful behavior.

- 1.9 The main lessons learned from PGN I and II⁶ include the need to: (i) simplify mission information systems and strengthen their operability; (ii) create and strengthen synergies among the PGN's key actors; and (iii) prioritize activities focusing on reducing noncompliance with regulations. The program's third phase takes these lessons into account and builds on the initiatives implemented under PGN I and II, especially the continuation of efforts to: (i) modernize information systems at the central and regional levels; (ii) strengthen PGN management and planning capacity, particularly at the regional level; and (iii) update the prevention function model based on a risk-control approach.
- 1.10 **Problem and challenges.** The main problem identified is the PGN's lack of efficient institutional management capacity, which it needs to conduct public oversight. Its institutional capacity shortcomings include: (i) efficiency, both at the central and regional levels; and (ii) transparency and integrity, both within the PGN and externally. The specific problems are:
- 1.11 **Lack of efficiency in PGN processes at the central and regional levels, which impact the exercise of public oversight.** The determining factors for this lack of efficiency are mainly: (i) deficiencies in strategic planning and existing incentives to exercise the agency's mission-related functions;⁷ (ii) low rate of success in administrative settlements;⁸ (iii) weaknesses in information management guidelines and policies that impact decision-making;⁹ (iv) weaknesses in coordination between the central and regional levels;¹⁰ and (v) outdated consolidation, integration, and information analysis mechanisms, which in turn impact institutional management.¹¹
- 1.12 The main consequences of these problems are: (i) a high number of proceedings that are barred by the statute of limitations compared with disciplinary actions¹² (see Figure 1); (ii) a lack of PGN compliance with the mandatory guidelines of the Ministry of Information and Communication Technologies (MINTIC); (iii) time wasted by PGN staff who manually verify information in paper records owing to a lack of

⁶ Details on the lessons learned from both programs and this operation's value added are in the [Explanatory note about lessons learned in PGN I and II](#).

⁷ In 2017, nearly 50% of disciplinary actions were overturned, costing the treasury approximately US\$2.2 million. This is because staff tends to initiate cases to meet success targets that are set during planning, which may impact the high rates of reversal due to a lack of grounds when cases proceed to a higher level.

⁸ In 2016, the success rate for administrative settlements was 11% (lower than the rates for 2014 and 2015, 16.28% and 13.37%, respectively). Therefore, savings due to settlements decreased from 52% and 44% in 2014 and 2015, respectively, to 21% in 2016.

⁹ The PGN only complies with 46.7% of the 120 mandatory information and communication technology (ICT) guidelines for public agencies issued by the [Ministry of Information and Communication Technologies](#) for critical information management areas.

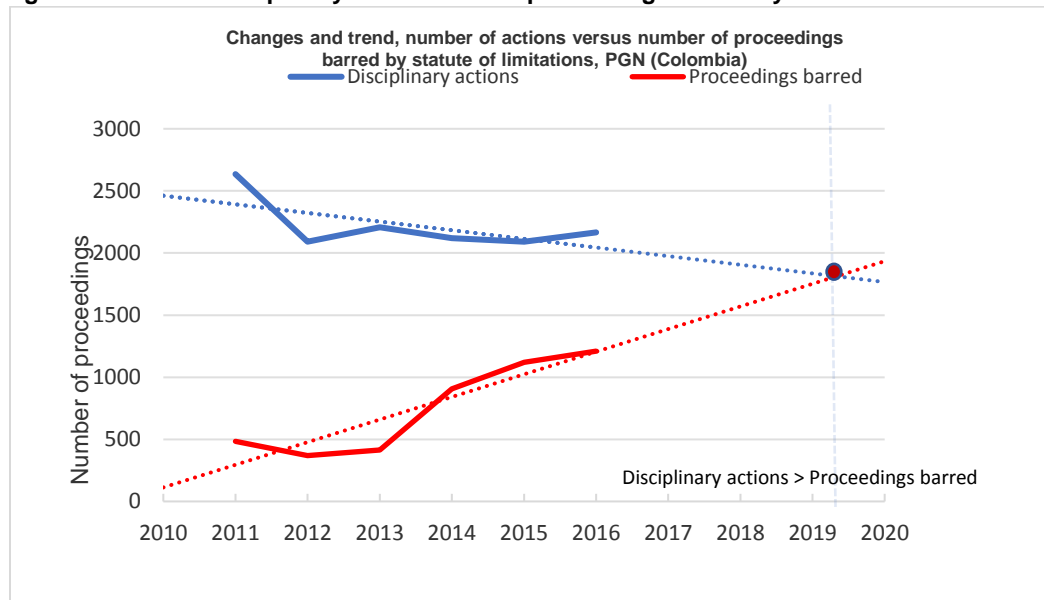
¹⁰ PGN management at the regional level includes a duplication of functions. For example, there are two delegate attorneys general offices with overlapping regional management functions and authority.

¹¹ Data consistency between the main systems that support PGN management (STRATEGOS and SIM) is low (56%), when it should be 100% (data for the first six-month period of 2017; source: PGN).

¹² While such actions have progressively decreased, proceedings that are barred by the statute of limitations have increased year after year. If this trend does not reverse by mid-2019, there will be an equal number of disciplinary actions and cases barred by the statute of limitations. Source: PGN.

confidence in the agency's information systems;¹³ (iv) weak governance of public oversight systems, particularly in the exercise of oversight at the regional level;¹⁴ and (v) the high rate of disciplinary actions overturned at the regional level.¹⁴

Figure 1. Trend of disciplinary actions versus proceedings barred by the statute of limitations



Source: PGN

1.13 Insufficient capacity to ensure internal and external integrity and transparency.¹⁵ The main determining factors of this specific problem at the internal level are: (i) lack of timely response to citizen complaints, grievances, and petitions;¹⁶ (ii) insufficient mechanisms for citizen engagement in social oversight and accountability;¹⁷ (iii) high risk in implementing measures to prevent and control corruption within the PGN;¹⁸ and (iv) limited knowledge of the situations that could

¹³ During program preparation, visits were made to several regional and provincial attorneys general offices, as well as to delegate attorneys general offices at the central level. In all of these, the need to perform manual searches due to the lack of confidence in their information systems was documented.

¹⁴ For example, from 2014 to 2016, regional attorneys general offices issued 771 disciplinary actions (normal and verbal), of which 377, or 49%, were overturned at the second level (central level). At the provincial level, from 2014 to 2016, 1,583 disciplinary actions were issued, of which 430, or 27%, were overturned at the second level (regional attorneys general offices).

¹⁵ There was no support for citizen services during phase II. The diagnostic assessment showed that this is essential for improving the agency's services. This refers both to handling information requests and to mechanisms for accountability, communication, and social engagement.

¹⁶ The average response time for citizen complaints, grievances, and petitions is 107 days, when a response is legally required within 30 days.

¹⁷ By way of example, the public hearings held by the PGN are not available online, making it difficult for the public to access accountability processes.

¹⁸ According to the [Transparency Index for Public Agencies](#), the anticorruption measures and strategies indicator showed that the PGN has very high risk in this area. Source: Transparency Index for Public Agencies, 2016.

lead to conflicts of interest for PGN staff.¹⁹ At the external level, the main determining factors are: (i) limited capacity to monitor unjustified increases in the assets of public officials;²⁰ (ii) low monitoring coverage of entities subject to the National Transparency and Access to Public Information Act 1712/14;²¹ and (iii) low level of compliance with open-data policies.²²

- 1.14 The main consequences of these problems are: (i) low level of confidence in the actions of the PGN as the lead agency that oversees the conduct of public officials and safeguards the efficient exercise of administrative functions;²³[16] (ii) exacerbation of indicators for the diversion of public funds;²⁴ and (iii) PGN's lack of success in its role of ensuring transparency and access to information pursuant to national legislation.
- 1.15 **Strategic alignment.** The program is consistent with the Update to the Institutional Strategy 2010-2020 (document AB-3008) It is also strategically aligned with the development challenge of productivity and innovation, the third objective of which is to strengthen the capacity of the State. Therefore, this operation addresses the need to combat corruption by ensuring the efficiency, effectiveness, and transparency of institutions (see paragraphs 1.23 to 1.26). This in turn is reflected in outcome indicator O.2.3, which seeks to decrease the level of risk in implementing anticorruption measures. The program is also aligned with the crosscutting theme of institutional capacity and rule of law, since one of its expected impacts is to increase the PGN's effectiveness in exercising public oversight. In addition, the program is aligned with the Sector Strategy Institutions for Growth and Social Welfare (document GN-2587-2), which highlights the role of strengthening control institutions and promoting good practices in transparency and open government (paragraphs 5.54 to 5.58). This is reflected in outcome indicator O.2.4 on increasing oversight coverage for entities subject to Law 1712/14. Lastly, the program is aligned with the IDB's Country Strategy with Colombia 2015-2018 (document GN-2832), as far as enhancing the quality of expenditure and public investment management capacity at all levels of government, through the following expected outcomes: (i) increased effectiveness of public management; and (ii) improved State information, accountability, and transparency mechanisms.

B. Objectives, components, and cost

- 1.16 **Program objective.** The program's objective is to strengthen public oversight by improving the effectiveness of the PGN. Primarily, this will be achieved by:

¹⁹ A system to monitor PGN staff for conflicts of interest does not currently exist (source: PGN).

²⁰ Unjustified increases in assets may be a disciplinary violation pursuant to Law 734/02 and constitute the crime of unjust enrichment.

²¹ There are currently 68,788 entities (public institutions and private entities that manage public funds) subject to Law 1712/14 that the PGN monitors. According to the PGN, in 2016 it was only able to monitor 0.2% (137).

²² Citizens have limited access to public information from the PGN in an open format. The PGN only has one set of data published online, when it should have at least five sets. Source: ICT diagnostic assessment conducted during the mission.

²³ According to the daily *El Tiempo*, in the past two years (2015 to 2017), unfavorable opinions about the PGN's image have increased from 44% to 51%.

²⁴ World Economic Forum data shows a low ranking for Colombia in terms of diversion of public funds, which has worsened (2006 = 2.8; 2009 = 2.6; 2012 = 2.3; and 2016 = 2.2, on a scale from 1 (worst) to 7 (best)).

- (i) improving the efficiency and coordination of the PGN's mission-related functions through an approach that focuses on an oversight cycle with change-management and risk-mitigation tools; (ii) strengthening the efficiency of execution, coordination, and monitoring of decentralized functions; and (iii) promoting internal and external transparency and integrity. Accordingly, the program will include the following components:
- 1.17 **Component 1. Improving planning, coordination, and technology management capacities (US\$12.3 million).** This component will help improve the efficiency and coordination of the agency's mission-related functions through an approach that focuses on the oversight cycle, with change-management and risk-mitigation tools. It will include two subcomponents:
- 1.18 **Subcomponent 1.1. Improving strategic planning and institutional coordination (US\$2.8 million).**^[17] This subcomponent includes the following activities: (i) designing and implementing a strategic plan, including an oversight cycle and a risk-identification strategy; (ii) updating disciplinary and judicial intervention functions, and training for staff²⁵ in implementing the new guidelines; and (iii) designing and implementing a monitoring system for the recommendations and comments made to the entities subject to the PGN's authority.
- 1.19 **Subcomponent 1.2. Strengthening decision-making policies and tools**²⁶ **(US\$9.5 million).** This subcomponent includes the following activities: (i) designing, executing, and evaluating an enterprise architecture plan, software architecture, and ICT governance based on MINTIC guidelines. This will facilitate a comprehensive mapping of mission-related functions, data associated with these functions, information systems, and infrastructure necessary for the PGN's institutional management; (ii) designing and implementing a business intelligence and analytics model aimed at improving the agency's efficiency and strengthening decision-making opportunities for the exercise of public oversight; and (iii) designing and implementing a tool for georeferenced monitoring and oversight of the Peace Accords' implementation by the PGN.²⁷
- 1.20 **Component 2. Strengthening operational capacities at the regional level (US\$20.4 million).** This component aims to strengthen the efficiency of execution, coordination, and monitoring of decentralized functions. It will include two subcomponents:
- 1.21 **Subcomponent 2.1. Strengthening PGN management capacities at the regional level**²⁸ **(US\$10.4 million).**^[19] This subcomponent includes the following

²⁵ The training will include a combination of online and in-person tools at both the central and regional levels. The scope and content of training will be based on existing training guidelines and policies.

²⁶ Empirical evidence shows that technology improvements can have positive results in terms of efficiency and tax savings. In India, technology improvements in payment systems have generated savings of US\$4.5 million. See Muralidharan K., Niehaus P., and Sukhtankar S. (2016). *Building State Capacity: Evidence from Biometric Smartcards in India*, American Economic Review, 106 (10): pages 2895-2929.

²⁷ The tool will show information on priority issues within the framework of the Peace Accords, based on the PGN areas of competency. The tool's design and implementation will take into account the gender perspective to facilitate decision-making at the PGN.

²⁸ Evidence shows that when local oversight bodies have a coordinated and strategic vision they can generate benefits, as was proven in Ontario, Canada. Baltaci M. and Yilmaz S. (2006), *Keeping an Eye on Subnational Governments: Internal Control and Audit at Local Levels*, World Bank Institute.

activities: (i) conducting a diagnostic assessment of governance that emphasizes the regional level; (ii) designing a business model based on the diagnostic assessment; (iii) designing, implementing, and evaluating a set of pilot projects;²⁹ (iv) adjusting the business model based on an evaluation of pilot projects; and (v) implementing the business model³⁰ and evaluating the business model that was designed.

- 1.22 **Subcomponent 2.2. Increasing use of technology and systems for improved regional management³¹ (US\$10 million).** This subcomponent includes the following activities: (i) upgrading information systems to improve interoperability between the central and regional levels; (ii) procurement of services, infrastructure, and software;³² and (iii) design and implementation of a plan and policy for maintenance, support, and updating.
- 1.23 **Component 3. Strengthening integrity, transparency, and citizen engagement (US\$6.3 million).** The aim of this component is to strengthen mechanisms for improving internal and external transparency and integrity. It will include three subcomponents:
- 1.24 **Subcomponent 3.1. Strengthening PGN public integrity capacities (US\$1.1 million).** This subcomponent includes the following activities: (i) reviewing the regulatory framework, adopting risk profiles, and designing and implementing a methodology for monitoring the assets of public officials in coordination with the applicable agencies;³³ (ii) designing and implementing a tool to identify and mitigate public procurement risks in coordination with the applicable agencies;³⁴ and (iii) designing and implementing a system to monitor PGN staff for conflicts of interest.[21]

²⁹ The pilot projects will seek to field-test various business models at the regional level, which will take into account the diversity of regional attorneys general offices (e.g. size, capacity, and resources). The main objective will be to identify and gather evidence of solutions to improve the integrated exercise of mission-related functions for the PGN and to use a risk-management approach, prioritizing sectors, issues, and geographic criteria. Therefore, there are plans to have one pilot project for each region of Colombia. Together with the PGN, at least one provincial, one regional, and one district attorneys general offices will be selected to be able to define differentiated business models based on each office's institutional capacity.

³⁰ For purposes of consistency with the program evaluation proposal, the business model will be implemented in two phases. The first will take place during the second year of program implementation and the second during the third year.

³¹ Integrated management and technology improvements can have many benefits. Garicano, L. and Heaton, P. (2010) estimated that there was a 3% increase in crime resolution due to integrated management improvements. *Information Technology, Organization, and Productivity in the Public Sector: Evidence from Police Departments*. Journal of Labor Economics, Volume 28, No. 1.

³² The program will support an upgrade of ICT infrastructure services that are critical to the PGN's operations. This includes basic software (operating systems, database engines) and wireless networks, as well as procurement of communications equipment (e.g. routers and hubs) and processing equipment (e.g. servers, personal computers, and printers). See [link](#).

³³ In cases of money laundering, existing mechanisms, processes, and rules will be used to formalize the relationship between the PGN and Colombia's Financial Information and Analysis Unit, particularly the 2017 [Cooperation Agreement](#).

³⁴ Existing mechanisms, processes, and rules will be used to coordinate with key bodies, including the national public procurement agency (Colombia Compra Eficiente) and the Office of the Auditor General. See the 2017 [Cooperation Agreement](#) between the PGN and the Office of the Auditor General.

- 1.25 **Subcomponent 3.2. Strengthening capacities for transparency and open government³⁵ (US\$2.7 million).** This subcomponent includes the following activities: (i) describing the risk levels of the entities subject to Law 1712/14; (ii) designing and implementing a strategy and roadmap to comply with said law, including an analysis of the required institutional structure;³⁶ and (iii) designing and implementing an open-data policy for the PGN.
- 1.26 **Subcomponent 3.3. Strengthening citizen engagement (US\$2.5 million).** This subcomponent includes the following activities: (i) conducting a diagnostic assessment of shortcomings in managing citizen complaints, grievances, and petitions; (ii) designing and implementing a management model for citizen complaints, grievances, and petitions³⁷ based on the diagnostic assessment; (iii) reviewing and adjusting the systems and channels for handling citizen complaints, grievances, and petitions, based on the model defined; (iv) conducting a diagnostic assessment of the current state of the agency's communications; (v) preparing and implementing a communications plan, including social media coordination and mechanisms for civil society engagement;³⁸ and (vi) designing and implementing a model for online public hearings.
- 1.27 **Main beneficiaries.** The program's main beneficiaries will be the general public, as a result of more and better oversight of public resources. Other beneficiaries will include public officials, who will receive more useful and timely recommendations and feedback; and PGN staff, who will improve their capabilities to perform their functions.

C. Key results indicators

- 1.28 **Expected results.** The main impact anticipated is an increase in the effectiveness of public oversight. This will be measured as an increase in public institutions that follow the recommendations and comments issued by the PGN, based on oversight actions. Effectiveness gains will result from: (i) increased efficiency in the PGN's institutional management, which will be shown through a decrease in disciplinary proceedings that are barred by the statute of limitations (O.1.1); a decrease in disciplinary actions that are overturned (O.1.2); an increase in disciplinary actions (O.1.3); a decrease in the number of disciplinary proceedings at the provincial level served per official (O.1.4); an increase in the success rate of administrative settlements (O.1.5); an increase in compliance with MINTIC guidelines (O.1.6); an increase in the level of consistency of information for decision-making (O.1.7); and (ii) increased internal and external transparency and integrity, measured through a decrease in the average response time for citizen complaints, grievances, and

³⁵ Greater access to information can reduce corruption and decrease processing times (in India, processing times were improved by 11 days). Peisakhin, L. and Pinto, P. (2010). *Is Transparency an Effective Anti-corruption Strategy? Evidence from a Field Experiment in India*. Regulation and Governance, Volume 4, Issue 3, September 2010.

³⁶ This activity includes the development of tools for promotion, training, oversight, and monitoring that ensure compliance with the law.

³⁷ Evidence shows that implementing an online model for citizen requests and procedures can yield positive results, as was the case in Seoul, Korea. Cho, Y. H., and Choi, B. D. (2004). *E-Government to Combat Corruption: The Case of Seoul Metropolitan Government*. International Journal of Public Administration, 27, pages 719-735.

³⁸ This plan will have countrywide coverage (central and regional).

petitions (O.2.1); implementation of online public hearings (O.2.2); a decrease in the risk level of implementing anticorruption measures (O.2.3); an increase in the oversight coverage of entities subject to the Transparency and Access to Public Information Act (O.2.4); and publication of open data (O.2.5).

- 1.29 **Economic evaluation.** Based on the economic analysis, the program generates a positive return in the baseline scenario, in which the increase in savings due to settlements is 8% and the decrease in disciplinary actions that are overturned is 5%. In this case, the social internal rate of return is 38% with a cost/benefit ratio of 1.87 and net present value of US\$63,584,401, based on sensitivity analysis. Therefore, the program yields benefits. The sensitive variables are an increase in savings from settlements and a decrease in unjust sanctions, which account for 100% of the variation in net present value. In the conservative scenario, where the increase in savings from settlements is 6% and the decrease in disciplinary actions that are overturned is 3%, the social internal rate of return is 24%. In this unfavorable scenario, the cost/benefit ratio is 1.41, which means that the program still yields benefits. In both cases, the discount rate used is 12% (see [Economic Analysis](#)).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This operation is structured as a specific investment loan. The estimated cost of the program is US\$40 million, financed in its entirety by the IDB from Ordinary Capital resources. As agreed upon by the Bank and the Colombian government, the operation will not include local counterpart funds. The executing agency is planning to execute all program activities in four years. Table 1 presents the consolidated budget by component, and the details are in the [itemized budget](#). The expenditure categories to be covered by the program include the procurement of goods, services, and consulting services. The four-year execution period (see Table 2) was defined based on the following criteria: (i) the average time it takes to design and implement the program's proposed activities; (ii) alignment with the PGN's strategic plan, which covers the 2017-2020 period; and (iii) the execution times for key activities that were financed under the two previous programs executed by the PGN.

Table 1. Program cost

Component	Bank (US\$)	%
Component 1: Improving planning, coordination, and technology management capacities	12,300,000	30.75
Component 2: Strengthening operational capacities at the regional level	20,400,000	51.00
Component 3: Strengthening integrity, transparency, and citizen engagement	6,300,000	15.75
Program administration (coordination, technical assistance, audits, and evaluations)	1,000,000	2.50
Total	40,000,000	100

Table 2. Tentative disbursement schedule (US\$)

Component	Year 1	Year 2	Year 3	Year 4	TOTAL
IDB	3,695,000	11,010,000	15,877,000	9,418,000	40,000,000
Percentage by year	9	28	40	24	100

B. Environmental and social risks

- 2.2 No environmental or social impacts are anticipated. According to the Environment and Safeguards Compliance Policy (document GN-2208-20/Operational Policy OP-703), the operation has been classified as a category “C” operation. The program will not finance any physical infrastructure components.

C. Fiduciary risks

- 2.3 As part of program design, a risk management assessment was performed using the Bank’s methodology, with the participation of PGN staff. This assessment identified the following medium level fiduciary risks associated with financial and procurement management: (i) possible noncompliance with contract obligations due to unfamiliarity with the Bank’s reporting policies; and (ii) resistance to following Bank standards and policies for procurement processes due to unfamiliarity with them. Mitigation measures for the former risk are as follows: (i) formation of a program execution unit (PEU) that includes specialists with experience executing these types of projects; (ii) appointment a program manager to coordinate all aspects of execution, both technical and operational, in an integrated manner; (iii) preparation and entry into force of the program Operating Regulations, which contain details on interagency procedures and mechanisms for execution and a financial chapter in accordance with terms and conditions previously approved by the Bank; and (iv) agreement with the Bank on a detailed and complete intervention flowchart and approvals for the procurement and contract administration processes. As a mitigation measure for the latter risk, the PGN’s program taskforce will receive ongoing training in financial management, procurement procedures, and the use of the Procurement Plan Execution System tool.

D. Other risks

- 2.4 Several development risks were identified in the design stage. High development risks include: (i) resistance to change by PGN staff and officials with respect to policies, technology, and new processes; and (ii) limited response from officials of regional and provincial attorneys general offices with respect to participating in strategic planning activities and the new regional business model. The medium-level development risks are: (i) limitations in the ability of the various units responsible for the program to coordinate and interact; and (ii) failure to provide or poor quality of consulting services and/or outputs necessary to execute program activities. The following measures will be implemented to mitigate the high-level risks: (i) an administrative order will be issued by the Office of the Attorney General regarding the implementation of new processes and technologies; (ii) a change-management plan will be developed, to include raising awareness of the new procedures and providing intensive training on them; and (iii) an administrative order will be issued by the Office of the Attorney General establishing guidelines for participation, monitoring mechanisms, and compliance by regional and provincial attorneys general offices, within the framework of program activities. The following measures will be implemented to mitigate the medium-level risks: (i) include in the program Operating Regulations details about the agencies and coordination mechanisms to organize the various PGN units that will participate in the program; and (ii) identify early on complex outputs that are highly technical, in order to determine needs for outside technical support in preparing the terms of reference or program supervision.

- 2.5 A medium-level macroeconomic and fiscal sustainability risk was identified, given that a decrease in the country's revenue may directly impact the budget allocations necessary for program execution. To mitigate this risk, the program will coordinate with the Ministry of Finance and Public Credit and the National Planning Department each fiscal year during the preparation of the draft budget bill. This coordination will ensure the necessary conditions at the budget level for program execution. Lastly, delays in implementing program activities and their lack of sustainability, owing to the results of the presidential and congressional elections, were identified as medium-level public management and governance risks. Mitigation activities include preparing a list of political actors who could have an impact on program execution. Based on this chart, high-level discussions will be held to raise awareness about the program and generate a consensus for supporting its execution and sustainability.
- 2.6 **Sustainability.** The PGN's 2017-2020 strategic plan includes information systems development and staff training as crosscutting themes. This supports the PGN's commitment to keeping the corporate and management systems that are being financed under this program up to date and operating, as well as to maintaining the acquired assets.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower will be the Republic of Colombia. The executing agency will be the PGN, with support from that agency's administrative and financial areas, and from the PEU attached to the Office of the Attorney General. The PEU will have a team comprised of at least a program manager; an information technology specialist; a procurement specialist; a planning and monitoring specialist; and a financial specialist with experience in multilateral banking matters. The PEU will have resources for expenditure planning, procurement approval, and program contracting. The PGN will form a program management committee (PMC) through a resolution issued by the Attorney General, and the PEU will act as its technical secretariat.³⁹ This committee will provide institutional coordination of the PGN technical and operational divisions that participate in program execution. These include the Systems Office and the delegate, provincial, and regional attorneys general offices, as well as any others considered relevant. More details on the execution mechanism will be included in the program Operating Regulations.
- 3.2 An institutional capacity analysis of the PGN was performed as the program's executing agency, based on the Bank's Institutional Capacity Assessment System. The definitive findings of that assessment suggest that the PGN has the capacity to execute the program. The fiduciary agreements and requirements establish the financial management and planning framework, as well as the framework for supervision and execution of relevant procurement processes for program execution. The program will be coordinated by the PMC, which will coordinate the actions of the technical and operational divisions participating in program execution. These divisions include the delegate offices at the central level, as well as the regional, provincial, and district attorneys general offices, and any others considered

³⁹ With support from the PGN's administrative and financial directors.

relevant. The program Operating Regulations will establish functions and responsibilities in the coordination process, the technical and fiduciary supervision structure, and the frequency and minimum content of monitoring reports.

- 3.3 Program activities will be carried out in accordance with a schedule implemented through the [multiyear execution plan](#), which contains the breakdown for execution of the entire program. The annual review of the schedule will be included in the respective [annual work plan](#). The multiyear execution plan may be amended each year, based on the actual progress made in the program. Annual reviews of the multiyear execution plan and annual work plan will be submitted to the Bank for approval.
- 3.4 **Procurement of goods, works, nonconsulting services, and consulting services.** Procurement financed in whole or in part with the proceeds of the Bank loan will be handled in accordance with the Policies for the Procurement of Works and Goods 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](#) contains the details of the procurement processes to be implemented during program execution.
- 3.5 **Audits.** The program's financial statements will be audited annually by an independent audit firm acceptable to the Bank, within 120 days following the close of each fiscal year of the program during the original disbursement period or any necessary extension thereof. The final audited financial statement will be submitted within 120 days following the date stipulated for the final disbursement.
- 3.6 **Special contractual clauses precedent to the first disbursement of the loan: The executing agency will submit evidence to the Bank of: (i) the entry into effect of the program Operating Regulations under the terms and conditions previously agreed upon with the Bank, establishing the guidelines and procedures for the executing agency to follow for the successful execution of the program; (ii) the formation of the PEC and the selection of at least the following PEC members: the program manager and four specialists (financial, procurement, planning and monitoring, and information technologies); and (iii) the formation of the program management committee through a resolution issued by the PGN designating its members, with a view to ensuring the necessary interagency coordination for program execution, especially since the program will involve various divisions within the attorneys general offices, both at the central and regional levels.**
- 3.7 **Retroactive financing.** The Bank may retroactively finance from the loan proceeds, technical diagnostic assessments that support the design of program activities and ICT infrastructure that is considered critically important for crosscutting support of the PGN's institutional management, for up to US\$8 million (20% of the proposed loan amount), provided they meet requirements substantially similar to those set out in the loan contract. These expenditures must have been incurred during the 18 months prior to the loan approval date, but subsequent to the program profile approval date (2 October 2017).

B. Summary of results monitoring arrangements

- 3.8 **Monitoring by the executing agency.** The executing agency will use the following documents to monitor the program: (i) the results matrix; (ii) the [multiyear execution plan](#); (iii) the [monitoring and evaluation plan](#); and (iv) the [procurement plan](#). The PEU will prepare consolidated semiannual progress reports for review by the Bank, which will be sent no later than 30 days following the end of each semiannual calendar period.
- 3.9 **Monitoring by the Bank.** The Bank will conduct administration missions or inspection visits, depending on the importance and complexity of program execution, following the schedule set forth in the multiyear execution plan, which identifies the intervals at which the Bank's technical supervision is deemed necessary. The Bank agrees that the executing agency will use the progress monitoring report.
- 3.10 In addition, one annual meeting will be held between the executing agency and the Bank to discuss: (i) the progress made in 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 following 12 months and possible changes to the budget allocations for each component. The executing agency agrees to maintain a program monitoring and evaluation system, which will be used as the basis for preparing the reports and data it will submit to the Bank. The PEU will have a specialist responsible for the functions of planning and monitoring its activities.
- 3.11 **Evaluation.** Achievement of the outcome and impact targets contained in the results matrix will be verified by means of midterm, final, and impact evaluations.
- a. The midterm evaluation will be performed when at least 50% of the loan proceeds have been disbursed or two and a half from the entry into force of the loan contract, whichever occurs first.
 - b. The Bank will perform a final evaluation as part of the project completion report, to begin when 95% of the loan proceeds have been disbursed and will be submitted within the following 180 days. Inputs for this report will include periodic status reports, results matrix indicators, audited financial statements, impact evaluation results, and survey results.
 - c. The final evaluation includes an ex post economic evaluation, which will calculate the real cost/benefit ratio of the intervention using the methodology developed for the ex ante economic analysis. Annex II details the applicable terms of reference for the ex post economic evaluation.
 - d. The objective of the impact evaluation will be to measure the outcomes and impact of the program according to the guidelines agreed upon with the Bank. The monitoring and evaluation plan explains in detail the methodology to be followed, which includes: (i) an analysis at the provincial level, randomly allocating three indicators (O.1.1. decrease in disciplinary proceedings that are barred by the statute of limitations; O.1.4. decrease in the number of disciplinary proceedings at the provincial level served per official; and O.1.3. increase in actions brought in disciplinary proceedings), applying a differences-in-differences methodology; and (ii) for the remaining results matrix indicators, a before-and-after methodology will be applied. This evaluation will

be performed before the operation is closed and will be financed by the program.

Development Effectiveness Matrix		
Summary		
I. Corporate and Country Priorities		
1. IDB Development Objectives	Yes	
Development Challenges & Cross-cutting Themes	-Productivity and Innovation -Institutional Capacity and the Rule of Law	
Country Development Results Indicators		
2. Country Development Objectives	Yes	
Country Strategy Results Matrix	GN-2832	Increase the quality of expenditure and public investment management capacity at all levels of government.
Country Program Results Matrix		The intervention is not included in the 2017 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability	Evaluable	
3. Evidence-based Assessment & Solution	9.0	
3.1 Program Diagnosis	2.4	
3.2 Proposed Interventions or Solutions	3.6	
3.3 Results Matrix Quality	3.0	
4. Ex ante Economic Analysis	10.0	
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis	4.0	
4.2 Identified and Quantified Benefits	1.5	
4.3 Identified and Quantified Costs	1.5	
4.4 Reasonable Assumptions	1.5	
4.5 Sensitivity Analysis	1.5	
5. Monitoring and Evaluation	9.8	
5.1 Monitoring Mechanisms	2.3	
5.2 Evaluation Plan	7.5	
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:		
Gender Equality		
Labor		
Environment		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	ATN / AA-16366-CO, Supported the Office of the Attorney General (PGN) in the preparation of inputs for the strengthening of its preventive, judicial intervention and disciplinary functions.
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan	Yes	The project includes an impact evaluation to evaluate the program effectiveness in (a) reducing prescribed disciplinary processes, (b) increasing the number of judgments by disciplinary processes, and (c) increasing the focus on disciplinary processes at the provincial level by officials.

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

Recent data from the 2017 Edelman Trust Barometer for Colombia indicate that confidence levels in public institutions declined primarily due to fears associated with corruption. The institution that generates the least confidence in the population is the government with 41%, and only 23% of Colombians trust public officials. In this context, the project identifies "the low effectiveness in the institutional management of the Office of the Attorney General (PGN) for the exercise of public control" as the general problem to be addressed. Associated with this, two specific problems were identified: (a) "low efficiency of the PGN processes at central and territorial level that affect the exercise of public control"; and (b) "the insufficient capacity to ensure integrity and transparency at internal and external levels". The problems and their determinants are adequately specified and quantified.

The project's main objective is "to strengthen public control by improving the effectiveness of the PGN". This objective will be attained by strengthening capacities to: (i) improve the effectiveness and coordination of mission functions through a focus on a cycle of control with change management tools and risk mitigation; (ii) improve the efficiency in the implementation, articulation and monitoring of decentralized functions; and (iii) promote transparency and integrity at internal and external levels." The objectives proposed are clearly aligned with the problems identified.

The loan proposal clearly identifies the potential beneficiaries of the project. The vertical logic of the project is clear and well specified; the proposed solutions are linked to the problems identified and their determinants. The project presents adequate evidence of internal validity of the proposed solutions. The Result Matrix contains all of its required elements for the monitoring of the project and a correspondence between products and results is shown. The proposed impact indicator "Recommendations and observations of control actions implemented by public entities" is not SMART, however, all other result and product indicators are SMART.

The documentation includes an ex ante Economic Analysis where the economic benefits have been clearly quantified and the costs reflect real resource costs to the economy. The estimated Net Present Value (NPV) is US\$ 29.6 million and the Internal Rate of Return (IRR) 38%. The assumptions used are clearly presented and a sensitivity analysis has been performed undertaking variations in key assumptions. The documentation includes an ex post economic evaluation proposal using the same methodology to recalculate the IRR and the NPV.

The loan proposal includes a satisfactory monitoring and evaluation plan (MEP). The project has identified and adequately addressed the monitoring and evaluation requirements and the data availability. The project includes an impact evaluation to evaluate the program effectiveness in (a) reducing prescribed disciplinary processes, (b) increasing the number of judgments by disciplinary processes, and (c) increasing the focus on disciplinary processes at the provincial level by officials. The proposed sample sizes were adequately justified through power calculations.

RESULTS MATRIX

Program objective: The objective of the program is to strengthen public oversight by improving the effectiveness of the Office of the Attorney General of Colombia (PGN).

EXPECTED IMPACT

Indicators	Unit of measurement	Baseline	Year	Interim measurements					General target1	Source/means of verification	Comments
				Year 1	Year 2	Year 3	Year 4	Year 5			
EXPECTED IMPACT: More effective public oversight											
I.1. Recommendations and observations on oversight actions implemented by public agencies	%	To be determined ²	2017	N/A	N/A	30% over baseline	N/A	Twice the baseline	Twice the baseline	Source: PGN Planning Office with information from delegate offices Responsible for data collection and reporting: Planning office (collection); PGN's program execution unit (PEU) (reporting)	The evaluation of the percentage of recommendations implemented is conducted over the course of two years from when those recommendations were made. Baseline: total recommendations made in 2017 via reports and/or communication with the entities being overseen, performing prevention functions Formula: Number of recommendations made in k-2 (2017) implemented through k (2020)/ number of recommendations made in k-2

¹ For three recent Bank operations to strengthen oversight systems (Office of the Comptroller of Ecuador, 3120/OC-EC; Brazil, 2919/OC-BR; and Colombia, 3593/OC-CO, all of which are in execution), an impact indicator has been used to measure the effectiveness of public oversight, based on the percentage of the recommendations made to public agencies that are implemented. For Ecuador, it was estimated that the percentage would increase from 23% to 45%, and for Brazil, from 10% to 50% (i.e. practically double during the life of the program). Along those lines, a similar increase is expected in the case of the PGN, which should be corroborated when the baseline is determined.

² The baseline will be determined during the first year of program execution. The PGN currently lacks a system to process and monitor the recommendations that the agency makes as part of its preventive function. This operation will design and implement that system.

EXPECTED OUTCOMES

Indicators	Unit of measurement	Baseline	Year	Interim measurements				General target	Source/means of verification	Comments/formula
				Year 1	Year 2	Year 3	Year 4			
Outcome 1: More efficient PGN institutional management										
O.1.1. Decrease in disciplinary proceedings barred by the statute of limitations	Number	1,210	2016	0	1,000	800	605	605	Statistics on PNG disciplinary proceedings Source: PGN Planning Office with information from delegate offices Responsible for data collection and reporting: Planning Office (collection); PGN's PEU (reporting)	From 2011 to 2016, the number of proceedings barred by the statute of limitations tripled from 484 to 1,210. A decrease of approximately 200 proceedings per year is expected starting in year 2.
O.1.2. Decrease in disciplinary actions that are overturned	Percentage	72	2015-2017	0	65	0	58	58	Statistics on PNG disciplinary proceedings Source: PGN Planning Office with information from provincial attorneys general offices Responsible for data collection and reporting: Planning Office (collection); PGN's PEU (reporting)	The baseline was calculated using the average number of disciplinary actions overturned at the second level between 2015 and 2017 The number of disciplinary actions that are overturned is expected to decrease by more than 20%.
O.1.3. Increase in disciplinary actions	Percentage	10	2015-2016	0	0	0	20	20	Statistics on PGN disciplinary proceedings Source: PGN Planning Office with information from provincial attorneys general offices Responsible for data collection and reporting: Planning Office (collection); PGN's PEU (reporting)	Measurements will only take into account rulings with sanctions or dismissal. By the end of the operation, the target is to improve to twice the baseline.
O.1.4. Decrease in the number of disciplinary proceedings at the provincial level served per official	Number	305	2016	0	0	280	250	250	Source: PGN Planning Office with information from delegate offices Responsible for data collection and reporting: Planning Office (collection); PGN's PEU (reporting)	Average annual number of disciplinary proceedings served per official

Indicators	Unit of measurement	Baseline	Year	Interim measurements				General target	Source/means of verification	Comments/formula
				Year 1	Year 2	Year 3	Year 4			
O.1.5. Increase in the success rate of administrative settlements	Percentage	10	2010-2016	0	14	0	20	20	Statistics on PGN administrative settlements Source: PGN Planning Office with information from delegate offices Responsible for data collection and reporting: Planning Office (collection); PGN's PEU (reporting)	An increase of 4 percentage points is expected midway through the program and an increase of 10 percentage points by the program's end. This would represent a 20% increase in the success rate by the program's end.
O.1.6. Increase in compliance with MINTIC guidelines	Percentage	46.7	2017	0	0	0	70	70	Measurement of compliance Source: PGN Systems Office Responsible for data collection and reporting: Planning Office (collection); PGN's PEU (reporting)	With respect to the baseline, the PGN is expected to comply with approximately 70% of the 120 mandatory guidelines for public agencies on information and communication technologies (ICTs) issued by the Ministry of Information and Communication Technologies (MINTIC) by the program's end.
O.1.7. Increase in the level of consistency of information for decision-making	Percentage	56	2017	0	0	70	80	80	Source: PGN Systems Office Responsible for data collection and reporting: PGN Systems Office (collection); PGN's PEU (reporting)	Measurements will take into account data consistency between the PGN's two main mission-related systems, STRATEGOS and SIM.
Outcome 2: Increased internal and external transparency and integrity										
O.2.1. Decrease in the average response time for citizen complaints, grievances, and petitions	Days	107	2016	0	80	60	30	30	Source: PGN Systems Office, with information from citizen complaints, grievances, and petitions records systems Responsible for data collection and reporting: PGN Systems Office (collection); PGN's PEU (reporting)	The indicator will be based on: number of citizen complaints, grievances, and petitions resolved within the deadlines established in the regulations/total number of citizen complaints, requests, and reports.
O.2.2. Online public hearings	Percentage	0	2017	0	20	50	80	80	Source: PGN Systems Office Responsible for data collection and reporting: PGN Systems Office (collection); PGN's PEU (reporting)	The target is 80% of public hearings by the end of the operation, to be reached gradually and in a cumulative manner beginning in year 2.

Indicators	Unit of measurement	Baseline	Year	Interim measurements				General target	Source/means of verification	Comments/formula
				Year 1	Year 2	Year 3	Year 4			
O.2.3 Decrease in the risk level of implementing anticorruption measures	Risk level (high, medium, low)	Very high	2017	Very high	High	Medium	Low	Low	Source: Transparency Index for Public Agencies Responsible for data collection and reporting: IDB	Baseline source: Transparency Index for Public Agencies, 2015-2016. Datasheets: PGN .
O.2.4. Increase in the oversight coverage of entities subject to the Transparency and Access to Public Information Act	Percentage	0.2	2016	0	0	0.5	10	10	Responsible for data collection and reporting: Data from PGN Transparency Group; PGN's PEU (reporting)	The target coverage is 10% (6,878) by the end of the intervention, prioritizing 100% coverage for high-risk entities and 50% coverage for medium-risk entities. Source: PGN Transparency and Right of Access to Public Information Group Responsible for data collection and reporting: PEU and PGN Planning Office
O.2.5. Publication of open data	Number	1	2017	1	3	4	5	5	SIM, SICN, STRATEGOS, SIRI, and SIAF information systems	Open-data datasets from five mission-related information systems (SIM, SICN, STRATEGOS, SIRI, and SIAF) should be available. Source: PGN Systems Office Responsible for data collection and reporting: PEU and PGN Planning Office

OUTPUTS

Outputs	Estimated total cost per output (US\$)	Unit of measurement	Year 1 (output)	Year 1 (\$)	Year 2 (output)	Year 2 (\$)	Year 3 (output)	Year 3 (\$)	Year 4 (output)	Year 4 (\$)	Final target (output)	Source/means of verification
Component 1. Improving planning, coordination, and technology management capacities (US\$12.3 million)												
O.1.1. Strategic plan, including an oversight cycle and a risk-identification strategy designed and implemented	1,700,000	Document (oversight cycle and strategy)	0	50,000	0	550,000	0	550,000	1	550,000	1	Administrative order adopting a strategic plan, including an oversight cycle and a risk-identification strategy
O.1.2. Disciplinary and judicial intervention functions updated; staff trained	800,000	Documents (one per updated function) Training workshops for new functions	0	200,000	1	200,000	1	200,000	0	200,000	2	Administrative order adopting updated functions Report on trainings conducted
O.1.3. Monitoring system for the recommendations and observations made to the entities subject to oversight designed and implemented	300,000	System	1	0	0	80,000	0	120,000	1	100,000	1	Reports from the recommendation monitoring system
O.1.4. Enterprise architecture model designed and implemented	1,950,000	Document with the model	0	125,000	0	320,000	0	752,000	1	753,000	1	Administrative order adopting the enterprise architecture model according to MINTIC guidelines
O.1.5. Software architecture model designed and implemented	1,450,000	Document with the model	0	0	0	250,000	0	600,000	0	600,000	1	Administrative order adopting the enterprise architecture model

Outputs	Estimated total cost per output (US\$)	Unit of measurement	Year 1 (output)	Year 1 (\$)	Year 2 (output)	Year 2 (\$)	Year 3 (output)	Year 3 (\$)	Year 4 (output)	Year 4 (\$)	Final target (output)	Source/means of verification
												according to MINTIC guidelines
O.1.6. ICT governance model designed and implemented	1,600,000	Document with model	0	0	0	600,000	1	1,000,000	0	0	1	Administrative order adopting the ICT governance model according to MINTIC guidelines
O.1.7. Business intelligence and data model, designed and implemented	3,000,000	Document with model	0	0	0	2,400,000	1	600,000	0	0	1	Administrative order adopting the business intelligence and data model according to MINTIC guidelines
O.1.8. Tool for georeferenced monitoring and oversight of the Peace Accords' implementation, based on the PGN's authority, designed and implemented	1,500,000	Document (strategy and methodology) and system	0	0	0	300,000	0	1,200,000	0	0	0	Administrative order adopting the tool designed
Component 2. Strengthening operational capacities at the regional level (US\$20.4 million)												
O.2.1. Diagnostic assessment of governance with emphasis on the regional level prepared	350,000	Document (diagnostic assessment)	1	350,000	0	0	0	0	0	0	1	Diagnostic assessment submitted and approved by the PGN
O.2.2. Business model with emphasis on the regional level pilot-tested, designed, and implemented	10,000,000	Document (model and pilot projects)	0	0	0	950,000	0	6,000,000	1	3,050,000	1	Administrative order adopting the regional business model defined

Outputs	Estimated total cost per output (US\$)	Unit of measurement	Year 1 (output)	Year 1 (\$)	Year 2 (output)	Year 2 (\$)	Year 3 (output)	Year 3 (\$)	Year 4 (output)	Year 4 (\$)	Final target (output)	Source/means of verification
O.2.3. Business model focused on the regional level evaluated	50,000	Document (final review)	0	0	0	0	0	0	1	50,000	1	Final review approved by the PGN
O.2.4. Interoperable information systems	1,000,000	Systems	0	0	0	300,000	0	350,000	0	350,000	1	Mission-related information systems
O.2.5. Services, infrastructure and software procured	8,000,000 ³	Equipment, licenses, and services	0	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	0	PGN inventory records
O.2.6. Maintenance, support and upgrade plan and policy designed and implemented	1,000,000	Document (plan and policy)	0	0	0	300,000	0	300,000	0	400,000	1	Administrative order adopting the plan and policy
Component 3. Strengthening integrity, transparency, and citizen engagement (US\$6.3 million)												
O.3.1. Regulatory framework reviewed and integrity risk profiles developed and adopted	50,000	Document	1	50,000	0	0	0	0	0	0	1	Administrative order adopting the integrity risk profiles
O.3.2. Methodology to monitor the assets of public officials designed and implemented	300,000	Document (methodology)	0	0	0	150,000	0	150,000	0	0	1	Methodology approved by PGN
O.3.3. Public procurement risk-mitigation tool	450,000	Document (strategy and	0	0	0	100,000	0	350,000	0	0	1	Administrative order adopting the tool

³ These services will be procured in accordance with demand as set out in the diagnostic assessments of governance and ICT strategic planning, guidelines, and policies. Therefore, this matrix does not quantify the services to be procured.

Outputs	Estimated total cost per output (US\$)	Unit of measurement	Year 1 (output)	Year 1 (\$)	Year 2 (output)	Year 2 (\$)	Year 3 (output)	Year 3 (\$)	Year 4 (output)	Year 4 (\$)	Final target (output)	Source/means of verification
designed and implemented		methodology) and system										
O.3.4. Monitoring system for conflicts of interest within the PGN designed and implemented	300,000	Document (methodology and system defined)	1	150,000	0	0	1	150,000	0	0	2	Administrative order adopting the system
O.3.5. Risk levels of the entities subject to the requirements of Law 1712/14, classified	100,000	Document (classification and methodology)	1	100,000	0	0	0	0	0	0	1	Classification approved by the PGN
O.3.6. Strategy and roadmap to comply with said law, including a definition of the required institutional structure designed and implemented	2,400,000	Document (strategy and roadmap)	0	300,000	0	700,000	0	700,000	0	700,000	1	Administrative order adopting the strategy and roadmap Report on training and activities of entities subject to the said law
O.3.7. Open-data policy, designed and implemented	200,000	Document (policy)	0	0	0	180,000	1	20,000	0	0	1	Administrative order adopting the policy
O.3.8. Diagnostic assessment of shortcomings in the handling of citizen complaints, grievances, and petitions, conducted; business model, designed and implemented	100,000	Document (diagnostic assessment and business model)	0	70,000	1	30,000	0	0	0	0	0	Diagnostic assessment submitted and approved by the PGN Administrative order adopting the model

Outputs	Estimated total cost per output (US\$)	Unit of measurement	Year 1 (output)	Year 1 (\$)	Year 2 (output)	Year 2 (\$)	Year 3 (output)	Year 3 (\$)	Year 4 (output)	Year 4 (\$)	Final target (output)	Source/means of verification
O.3.9. Systems and channels for handling citizen complaints, grievances, and petitions, adapted (based on the model designed)	900,000	Handling systems and channels	0	0	0	800,000	1	100,000	0	0	0	Suitable systems and channels based on the model designed
O.3.10. Diagnostic assessment of the current status of the agency's communications, conducted; communications plan, including social media coordination and mechanisms for civil society engagement designed	200,000	Document (diagnostic assessment and plan)	0	100,000	1	100,000	0	0	0	0	1	Diagnostic assessment approved by the PGN and administrative order issued adopting the plan
O.3.11. PGN communications plan implemented	1,000,000	Plan	0	0	0	400,000	0	300,000	0	300,000	0	Final balance of plan implemented
O.3.12. Online public hearings model designed and implemented	300,000	Document (model designed)	0	0	0	50,000	0	150,000	0	100,000	80%	Online hearings
Total cost of components	39,000,000			3,495,000		10,760,000		15,592,000		9,153,000		
Program administration	1,000,000			200,000		250,000		285,000		265,000		

Outputs	Estimated total cost per output (US\$)	Unit of measurement	Year 1 (output)	Year 1 (\$)	Year 2 (output)	Year 2 (\$)	Year 3 (output)	Year 3 (\$)	Year 4 (output)	Year 4 (\$)	Final target (output)	Source/means of verification
Coordination and technical assistance	700,000 ⁴	N/A	0	150,000	0	200,000	0	200,000	0	150,000		PEU
Audits	200,000	N/A	0	50,000	0	50,000	0	50,000	0	50,000		Audits
Evaluations	100,000	N/A	0	0	0	0	1	35,000	0	65,000		Evaluations
Grand total	40,000,000											

⁴ This amount (US\$700,000) includes US\$150,000 to cover the costs of the program's planning and monitoring specialist.

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country:	Colombia
Project number:	CO-L1225
Name:	Program for Strengthening Institutional Management of the Office of the Attorney General of the Nation
Executing agency:	Office of the Attorney General of the Nation (PGN)
Fiduciary team:	Miguel A. Orellana, Fiduciary Specialist in Financial Management (FMP/CCO); and Eugenio Hillman, Lead Fiduciary Specialist in Procurement (FMP/CCO)

I. EXECUTIVE SUMMARY

- 1.1 The executing agency will be the PGN. For program execution, the PGN will have a program execution unit (PEU) that will report directly to the executive committee.¹ The PEU will be responsible for the program's execution and technical supervision. The following were taken into account in establishing the execution structure within the PGN and the PEU: the program's technical characteristics; the findings of the institutional capacity assessment; the risk analysis; meetings and interviews with PGN staff; meetings with the program team; best practices and lessons learned from the two operations previously executed by the executing agency; and the Bank's knowledge and experience in the sector.
- 1.2 The institutional capacity assessment of the PGN used the following tools: (i) the Institutional Capacity Assessment System methodology; (ii) an analysis of the main institutional processes that will support execution; and (iii) the program's risk management assessment. During the past 15 years, the PGN executed two Bank loan operations (operations 1459/OC-CO and 2249/OC-CO). Practical experience from those interventions was used as a basis for preparing this operation.
- 1.3 The assessment found that the PGN has a medium level of institutional capacity to execute its current project portfolio. However, for this new operation, its technical/operational teams need to be reinforced. The PGN also needs to improve and update its internal processes, specifically those related to program planning and procurement. The level of fiduciary risk for financial management is therefore medium.

¹ Comprised of the Attorney General, who chairs the committee; the Deputy Attorney General; the Secretary-General; the chair of the bidding committee; and the PEU coordinator, who will act as the technical secretary. Other leaders involved in the program will be permanent guest members (with voice but no vote).

- 1.4 According to the Public Expenditure and Financial Accountability assessment,² Colombia's Public Financial Management system is a mature system that performs well in most areas. However, it still is not entirely compliant with international standards. In addition, from the regulatory standpoint, the Government Contracting System is adequate and consistent with internationally accepted practices, but its use has not yet been authorized for Bank financing. The PGN uses the Integrated Financial Information System (Nación II SIIF) for budgetary, accounting, and cash management controls, which are located online. The PGN also has an Administrative and Financial Information System to maintain detailed records of operations and generate payroll and inventory management reports for the agency.
- 1.5 The program does not include counterpart financing or financing from other multilateral organizations.
- 1.6 There are plans for recognition of expenditures/retroactive financing (see paragraph 5.7).

II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 2.1 The PGN documents, approves, and formalizes all processes, procedures, and activities through a Quality Management System. However, an update of these is recommended. Program monitoring and control, as well as the Internal Control System, will be appropriate because of the presence of certain divisions within the PGN³ and a project evaluation specialist in the PEU. All of them have clearly defined functions. External control of the PGN is carried out by the Office of the Comptroller General of the Republic (CGR). Specifically for the program, external control will be performed by an independent audit firm. The PGN currently has a financial and administrative specialist in the PEU, who has experience with multilateral banking projects and is participating in the current operation, which is in its final stage.
- 2.2 The PGN will use the Integrated Financial Information System (Nación II SIIF) for program accounting and will not require parallel accounting systems to generate detailed reports. As the program's executing agency, the PGN will consolidate accounting information and prepare financial statements. The PGN, through its finance division and with support from the PEU's financial and administrative specialist, will be responsible for coordinating the financial and administrative procedures for budgeting, cash management, and accounting. The PEU will be responsible for preparing and submitting the financial reports required for the operation, based on the information provided by the executing agency.
- 2.3 The PGN is properly organized to conduct procurement processes, and has detailed procedures, powers, and responsibilities. However, it is necessary to strengthen the areas involved to address the new needs for procurement that will arise during program preparation in an efficient and timely manner. The PGN's Office of the Secretary General and Legal Office will need to have sufficient staff with experience

² The latest Public Expenditure and Financial Accountability report for Colombia is from October 2016. It applied an international standard known as a frame of reference to measure public financial management performance.

³ Planning Office (OPLA) and Internal Control Office (OCI).

applying the Bank's procurement policies and using harmonized documents. If possible, they should be dedicated exclusively to the program.

- 2.4 PGN staff will receive training in procurement policies for Bank-financed operations at the beginning of the operation. Subsequent training will be limited to the IDB's regular annual training.

III. EVALUATION OF FIDUCIARY RISK AND MITIGATING ACTIONS

- 3.1 As part of the program's design, a risk management assessment was performed using the Bank's methodology, with the participation of PGN staff. This assessment identified a medium level of fiduciary risk in financial management and procurement, as follows: (i) potential noncompliance with contract requirements that may cause delays in program execution; and (ii) unwillingness to follow Bank standards and policies for procurement processes due to a lack of knowledge. Based on the institutional capacity assessment and the level of fiduciary risk identified, the following mitigating actions are proposed:

1 Financial management

- a. Formation of a PEU in the form of a task force reporting directly to the Office of the Attorney General/executive committee for monitoring, financial, and procurement issues. Its members will have multilateral banking experience and will work exclusively for the program.
- b. Appointment of a program manager to coordinate all aspects of both technical and operational execution in an integrated manner.
- c. Preparation and implementation of the program's Operating Regulations, containing details on interagency procedures and mechanisms for execution and a financial chapter in accordance with terms and conditions previously approved by the Bank.
- d. Incorporation of lessons learned from previous programs in the new program's Operating Regulations. These regulations include three substantive modifications:
 - (i) A program management committee (PMC) is to be established and headed by the Attorney General. Representatives of PGN and PEU technical areas will serve on the committee. The PMC will help ensure technical consistency among the proposed activities, proper monitoring and evaluation, the execution of planning and budget instruments in due time and manner, and the sustainability and appropriateness of actions performed within the PGN.
 - (ii) A specific unit is to be included to establish coordination and implementation mechanisms for PGN activities at the central and regional levels.
 - (iii) The PEU's areas of competence are to be expanded to include planning of expenditures, which in previous programs was performed by the PGN's Office of the Secretary General.

2. Procurement

- a. Agreement reached with the Bank on a detailed and complete intervention flowchart and approvals for the procurement and contract administration processes.
- b. Ongoing training provided to the PGN's program task force on financial management, IDB procurement procedures, and the use of the Procurement Plan Execution System (SEPA) tool.

IV. CONSIDERATIONS FOR THE SPECIAL CONDITIONS OF THE CONTRACT

A. Financial management

- 4.1 The executing agency will submit supporting documentation on expenditures using the exchange rate for payments made from the U.S. dollar account to Colombian pesos (monetization rate).
- 4.2 For accounting purposes, and to ensure that the Integrated Financial Information System automatically generates the program's financial reports, the PGN/PEU will create budget categories for loan proceeds based on the classification by component and resource distribution defined in the "cost and financing" table of the loan contract.
- 4.3 Each year until the end of the operation, the PGN/PEU will submit financial statements audited by an independent audit firm to be selected and retained pursuant to Bank policies, preferably under a multiyear contract.

B. Procurement

- 4.4 Documentation acceptable to the Bank is to be submitted, showing evidence that the executive committee has approved the program's procurement plan for an initial period of at least 18 months, and an administrative order is to be issued authorizing procurement for the activities included in the annual work plan for the first year of execution.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

A. Procurement execution

- 5.1 **Procurement of works, goods, and nonconsulting services.** Works, goods, and nonconsulting services arising under the project and subject to international competitive bidding (ICB) will be procured in accordance with Policy GN-2349-9 and using the standard bidding documents issued by the Bank. Bidding processes subject to national competitive bidding (NCB) will be executed using national bidding documents agreed upon with the Bank. The program sector specialist is responsible for reviewing the technical specifications of procurements during preparation of the selection processes.
- 5.2 **Selection and contracting of consultants.** Consulting services contracts generated under the program will be executed using the standard request for proposals agreed upon with the Bank, or the harmonized standard request for the World Bank and Colombia Compra Eficiente.

- 5.3 The program sector specialist is responsible for reviewing the terms of reference for the contracting of consulting services.
- 5.4 **Selection of individual consultants.** This will be carried out in accordance with the provisions of Policy GN-2350-9.
- 5.5 **Training.** Training events will not require any special action.
- 5.6 **Recurrent expenditures.** Not applicable.
- 5.7 **Advance procurement/Retroactive financing.** The Bank may retroactively finance from the loan proceeds, technical diagnostic assessments that support the design of program activities and ICT infrastructure that is considered critically important for crosscutting support of the PGN's institutional management, for up to US\$8 million (20% of the proposed loan amount), provided they meet requirements substantially similar to those set out in the loan contract. These expenditures must have been incurred during the 18 months prior to the loan approval date, but subsequent to the program profile approval date (2 October 2017).
- 5.8 **Business practices.** Not applicable.
- 5.9 **Domestic preference.** Not applicable.
- 5.10 **Others.** Not applicable.

Table 1. Table of thresholds (US\$)

Works		Goods		Consulting services	
ICB	NCB (complex works) **	ICB	NCB (custom goods) **	International publicity consulting	Shortlist without nationality restrictions
≥ 10,000,000	350,000 - 10,000,000	≥ 1,000,000	50,000 - 1,000,000	≥ 200,000	≤ 500,000

* Simple works and common goods with values below the ICB threshold may be purchased by means of shopping.

** Complex works and custom goods with values below the NCB threshold may be purchased by means of shopping.

Table 2. Table of thresholds for ex post review (US\$)

Limits for ex post review***		
Works	Goods	Consulting services
10,000,000	1,000,000	200,000

*** Ex post reviews are subject to the provisions cited below (procurement supervision).⁴

- 5.11 **Main procurement items.** Procurement for the first 18 months is reflected in the procurement plan, a required annex of the Proposal for Operation Development. See [procurement plan](#).⁵
- 5.12 **Procurement supervision.** The initial review method for procurement under the loan is ex ante. Application of the ex post review method will be evaluated by the program team and eventually implemented after providing timely training to

⁴ Policy [GN-2349-9](#), Annex II, and the loan contract.

⁵ See [Guide for the Preparation and Implementation of the Procurement Plan](#).

executing agency staff. Direct contracts are an exception and will be reviewed on an ex ante basis.

- (i) Works: ex ante, unless the Bank determines otherwise.
- (ii) Goods: ex ante for ICB and NCB, unless the Bank determines otherwise.
- (iii) Shopping: ex ante initially, and may become ex post if results are satisfactory.
- (iv) Consulting firms: ex ante, unless the Bank determines otherwise.
- (v) Individual consultants: ex ante, unless the Bank determines otherwise.

5.13 **Special provisions.** Not applicable.

5.14 **Records and files.** The PGN keeps complete and orderly documentation on procurement processes. The PGN's SIGDEA system contains procurement documentation in digital format. The agency's Legal Office maintains documentation of procurement processes for the pre-contract, contract, and post-contract stages. Upon completion of program execution, all documentation will be sent to the PGN's central archives.

VI. FINANCIAL MANAGEMENT

6.1 **Programming and budget.** The national government, through the National Public Budget Bureau and the National Planning Department, is responsible for budget programming, a process that concludes with approval of the Annual Budget Law by the Congress of the Republic. The loan proceeds will be included in the national budget under the PGN heading and will be controlled through the Integrated Financial Information System.

6.2 **Accounting and information systems.** The lead agency for government accounting in Colombia is the General Accounting Office (CGN), which has guidelines on how to maintain the accounts. The official system for maintaining government accounts is the Integrated Financial Information System (Nación II SIIF), which represents a source for downloading the information transmitted to the CGN through the Finance and Public Information Consolidation System. The PGN will use the Integrated Financial Information System for budgetary, accounting, and cash management control of the program. Entries will be recorded according to the accrual accounting method. However, the program's audited financial statements will be prepared on a cash accounting basis and submitted to the Bank each year. In recording its operations and preparing its financial statements, the agency uses the standards prescribed by the CGN and, for items not covered by those standards, Colombia's generally accepted accounting standards as established in Decree 2649 of 1993 and Law 1314 of 2009.

6.3 **Disbursements and cash flow.** Externally sourced funds are executed through the Integrated Financial Information System. To manage the program's cash flow, the PGN will open a special bank account (designated account) in foreign currency at Banco de la República (Central Bank), in the name of the program, for the exclusive use of program funds. The PGN will submit disbursement requests to the Bank. The disbursement method will be in the form of fund advances, based on liquidity needs

- for a maximum of six months. Once at least 80% of the advance has been justified, a new disbursement can be made, in accordance with the provisions of the Financial Management Guidelines for IDB-financed Projects (document OP-273-6). In addition to the cash flow projection, the disbursement request will be accompanied by reconciliation of the special account as well as the implementation status of technical and fiduciary performance commitments (if applicable). Expenses will be documented using the exchange rate in effect on the date that the proceeds disbursed were converted from U.S. dollars to Colombian pesos (monetization rate).
- 6.4 **Internal control and internal audit.** The PGN has an Internal Control Office. The agency's internal control is based on the 2014 standard internal control manual and on the principles of self-regulation, self-management, self-oversight, and continuous improvement. Risk maps are also prepared for each of the processes included in the quality management system. The Internal Control Office performs independent evaluations of the internal control system using an internal audit tool to audit processes in order to verify their management (i.e. compliance with plans). It is also part of the support process for improvement based on internal and CGR audits.
- 6.5 **External control and reporting.** External control of the PGN is carried out by the CGR, through public audits conducted selectively and on an ex post basis, for the purpose of verifying compliance with standards, the proper use of resources, observance of processes and procedures, the scope of goals and objectives, etc. Given that the CGR is not eligible to audit projects financed with Bank resources, the program will use the services of an independent audit firm, which will perform a financial audit and prepare an independent report.
- 6.6 The program's annual financial statements and eligibility of expenditures will be audited annually by an independent audit firm acceptable to the Bank, to be engaged by the PGN. Auditing services will be financed with loan proceeds. The estimated budget for these services is US\$200,000. The program's annual financial statements will be sent to the Bank no later than four months after the close of each fiscal year or based on another deadline that the parties agree to, 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 program's capacity and risk assessments, the financial specialist will at a minimum perform two annual onsite reviews as well as desk reviews of the audited annual and final financial statements. The program auditor will verify that resources are executed in accordance with Bank standards and policies in the area of fiduciary management and the conditions stipulated in the program Operating Regulations. The auditor will conduct inspection visits to the PGN. Fiduciary supervision visits for financial management will include verification of the financial and accounting arrangements used for program administration, as well as monitoring of the implementation of the independent auditor's recommendations.
- 6.8 There is no national policy regarding public disclosure of audit reports. Nonetheless, according to the current Access to Information Policy – Implementation Guidelines (document GN-1831-36), the program's audited reports will be published in the Bank's systems.
- 6.9 **Execution mechanism.** The borrower will be the Republic of Colombia and the executing agency will be the PGN. The PGN will the Integrated Financial Information System for budgetary, accounting, and cash management control of the program,

- and will be responsible for accounting information and preparation of the program's financial statements. The program Operating Regulations will define each of the agencies and divisions involved and their members, as well as the coordination mechanisms, information and documentation flows, and execution of program activities. They will also include additional details about the functions and responsibilities of the various agencies that will participate in program execution.
- 6.10 The PGN will execute the program through the PEU. Its team members will have experience executing projects financed by multilateral banks. A manager who will report directly to the executive committee will be retained for the program's fiduciary management. The PEU will also retain, at a minimum, a procurement specialist, a financial and administrative specialist, and a project monitoring and evaluation specialist. Program interventions will follow its Operating Regulations. The operation does not provide for coexecuting agencies.
- 6.11 **Other financial management agreements and requirements.** There are no agreements in addition to those mentioned above. However, the fiduciary agreements and requirements included in this annex may be adjusted according to the program dynamics based on updates in the risk analysis and the institutional capacity assessment to be performed during program execution.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/17

Colombia. Loan ____/OC-CO to the Republic of Colombia
Program for Institutional Strengthening of the
Inspector General's Office

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 a program for institutional strengthening of the Inspector General's Office. Such financing will be for the amount of up to US\$40,000,000 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 _____ 2017)