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To: The Executive Directors
From: The Secretary
Subject: Uruguay. Proposal for a loan for the "Comprehensive Citizen Security Program"

Basic Information: Loan type Specific Investment Operation (ESP)
Borrower Eastern Republic of Uruguay
Amount up to US\$6,000,000
Source Ordinary Capital

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Remarks: Management has determined that this loan proposal meets the requirements for presentation by Simplified Procedure, in accordance with Part III, Section 2 (paragraph 3.29(b)) of the Regulations of the Board of Executive Directors and document GN-1838-1, paragraph 2.

Reference: GN-1838-1(7/94), DR-398-17(1/15), GN-2849(3/16)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

URUGUAY

COMPREHENSIVE CITIZEN SECURITY PROGRAM

(UR-L1112)

LOAN PROPOSAL

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ABBREVIATIONS

ANII	National Research and Innovation Agency
BAM	Becoming a Man
CCAU	Centro de Criminología Aplicada del Uruguay [Center for Applied Criminology of Uruguay]
INE	National Statistics Institute
MIDES	Ministry of Social Development
PADO	High-Intensity Operations Program
POP	Problem-oriented policing
RCE	Randomized controlled experiment
TCR	Tribunal de Cuentas de la República [Audit Office of the Republic]

PROJECT SUMMARY

URUGUAY COMPREHENSIVE CITIZEN SECURITY PROGRAM (UR-L1112)

Financial Terms and Conditions						
Borrower: Eastern Republic of Uruguay			Flexible Financing Facility ^(a)			
			Amortization period:		25 years	
Executing agency: Ministry of the Interior			Original WAL:		15.25 years ^(b)	
			Disbursement period:		5 years	
			Grace period:		5.5 years ^(b)	
Source	Amount (US\$)	%	Inspection and supervision fee:		(c)	
IDB (OC)	6,000,000	75	Interest rate:		LIBOR-based	
Local	2,000,000	25	Credit fee:		(c)	
Total	8,000,000	100	Currency:		U.S. dollars from the Bank's Ordinary Capital	
Project at a Glance						
Project objective/description: The general objective of the program is to help reduce violent crimes against property (particularly violent robberies) and against persons (particularly domestic and youth violence) in Uruguay. The specific objectives are: (i) to reduce the rate of violent robberies in Montevideo; and (ii) to reduce the rate of domestic violence (by intimate partners) and youth violence (by and against young people) in two pilot neighborhoods that are highly vulnerable to crime in Montevideo (Marconi and Casavalle).						
Special contractual conditions precedent to the first disbursement of the loan: The first disbursement of loan proceeds will be subject to fulfillment of the following conditions, to the Bank's satisfaction: (i) the Ministry of the Interior establishes a project execution unit (paragraph 3.2); and (ii) the Ministry of the Interior presents evidence of the entry into force of the program Operating Regulations under the terms and conditions previously agreed upon with the Bank (paragraph 3.9).						
Special contractual clauses of execution: (i) For Component 2, the executing agency and the respective municipio will sign a cooperation agreement establishing terms and conditions for the municipio's participation in program activities, prior to the start of activities related to diagnostic assessment of the community and situational urban crime prevention (paragraph 3.6). (ii) For Component 3, the executing agency and the National Research and Innovation Agency (ANII) will sign an execution agreement defining the terms and conditions for ANII participation in program activities, prior to the start of activities financed under the component (paragraph 3.8).						
Exceptions to Bank policies: None						
Strategic alignment						
Challenges: ^(c)	SI	<input checked="" type="checkbox"/>	PI	<input type="checkbox"/>	EI	<input type="checkbox"/>
Crosscutting topics: ^(d)	GD	<input checked="" 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) The original weighted average life (WAL) and the grace period may be shorter depending on the effective signature date of the loan contract.

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

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

^(e) 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, problems addressed, and rationale

- 1.1 Insecurity and crime are major concerns for residents of Uruguay.¹ This is apparently associated with an increase in violent crimes, particularly violent robberies, domestic violence, and youth violence.² Crimes against property account for more than 80% of crimes reported annually, of which 83% are thefts or violent robberies. Violent robberies have continued to rise, increasing by 16% from 2013 to 2015.³ As far as crimes against persons, more than half of the reports are for domestic violence, which increased by 18% from 2013 to 2015.⁴ In the past 12 months, 23% of women ages 15 or older have experienced violence at the hands of a current or former intimate partner.⁵ Youth violence, particularly perpetrated by and against young men, is also a major cause for concern. In Uruguay, 70% of prisoners are between the ages of 18 and 35,⁶ and 94% of adolescents prosecuted in 2015 were males (70% of them for theft or violent robbery).⁷ Likewise, 43% of Uruguay's population who were attacked, threatened, or suffered a violent robbery in the past 12 months were young people between the ages of 17 and 29.⁸
- 1.2 Since 2013, the Ministry of the Interior⁹ has been implementing a comprehensive security policy that combines prevention, deterrence, and control measures. The Bank has closely supported this process through technical cooperation projects, studies,¹⁰ and the Integrated Local Management Program for Citizen Security (2770/OC-UR),¹¹ which focuses on Montevideo. This loan, of which 80% has been executed and almost 90% has been committed, played a strategic role regarding three Ministry of the Interior priorities:
- a. **Deterrence and police control of crime.** As a result of the loan, the Montevideo Police Department replaced random, untargeted patrolling with

¹ More than half of the population surveyed indicated this in the past few years (Latin American Public Opinion Project, 2012, 2014; Grupo Mori, 2015).

² Homicide is a growing concern but still a rare phenomenon at a rate of 8.3 homicides per 100,000 residents versus a regional average of approximately 22 per 100,000 (United Nations Office on Drugs and Crime).

³ In Uruguay, 4.4% of the population ages 18 or older suffered a violent robbery in the past 12 months, according to the latest Crime Victimization Survey (INE – Ministry of the Interior, 2011).

⁴ Ministry of the Interior, Annual Report on Violence and Crime - 2014 and 2015.

⁵ For 67%, it has happened at least once in their lives. First National Survey on the Prevalence of Gender- and Generation-based Violence. INE and National Council Against Domestic Violence (2013).

⁶ First National Prisoner Census, 2010.

⁷ Report on Prosecutions of Adolescent Offenders, 2015.

⁸ Crime Victimization Survey, 2011. Nationwide, 7.6% of young people between the ages of 18 and 29 were attacked or threatened in the past 12 months.

⁹ The lead agency in Uruguay in charge of maintaining order and public safety. According to the Basic Law establishing the Police (Law 19.315 of 2015), the Ministry of the Interior oversees the National Police and is responsible for police services and general planning of the ministry's management.

¹⁰ Technical cooperation projects to prevent youth violence (ATN/KP-13287-UR and ATN/JF-13193-UR) and studies to improve the effectiveness of patrolling (Galiani and Jaitman, 2016) and the quality of public spending on security (Serrano, Dammert, and Veneri, in progress).

¹¹ The program evaluation covers aspects related to changes in the patrolling model and the prevention of criminal behaviors in adolescent beneficiaries. Results are expected by mid-2017.

patrolling that focuses on critical areas with a high concentration of crime.¹² This was part of an in-depth reform of the Montevideo Police Department.¹³ The reform facilitated, among other results, a faster police response.¹⁴ There seem to be positive results from the reforms as far as thefts (7% decrease from 2013, when the police reform started, to 2015), but not yet for violent robberies (increased 18% during the same period).¹⁵ Another result of the loan was a problem-oriented policing (POP) pilot in the 25th precinct, one of Montevideo's 25 police precincts, which had a 23% decrease in violent robberies from 2013 to 2015.

- b. **Social prevention of crime.** The loan is contributing to the implementation of a pilot project for the prevention of youth violence, co-executed by the Ministry of Social Development (MIDES). The intervention consists of a counselor program that provides psychosocial support to at-risk adolescents living within the jurisdictions of three priority police precinct in Montevideo.¹⁶ Initially, there were implementation issues for this component, related to interagency coordination and resistance to adopting the novel methodology being proposed. However, during the second stage, increased ownership by MIDES was achieved.¹⁷ The intervention went from a pilot project implemented by a nongovernmental organization that MIDES subcontracted to being absorbed into Jóvenes en Red, the MIDES flagship program for young people who neither study nor work. This program institutionalized a “window” to serve juvenile offenders, using the ASSET methodology that the program developed.¹⁸ More than 250 adolescents benefitted from this component, which was expanded to additional neighborhoods and at-risk adolescents.¹⁹ An impact evaluation and a process evaluation are underway.²⁰
- c. **Adoption of an evidence-based approach²¹ to security management.** The loan contributed to the design and implementation of agreements between the

¹² This is a radical change that has brought statistically significant reductions in certain crimes. (Weisburd and Green, 1995; Santos, 2014; Braga and Weisburd, 2010). The loan contributed to training and technical assistance on hot-spot policing and a predictive crime software (PredPol).

¹³ The reform included the creation of five Operating Areas to coordinate the 25 police precincts, salary increases, curriculum updates, a new Police Organic Law, and investments in technology and equipment.

¹⁴ Police response to the 911 emergency service decreased from 30 minutes to between 3-10 minutes, depending on the urgency. This was the result of measures that included assigning more patrol officers and adding new technology and dispatch systems (Galiani and Jaitman, 2015). *Economía del Crimen Aplicada: el caso de Montevideo, Uruguay* [Applied Crime Economics: the Case of Montevideo, Uruguay].

¹⁵ Ministry of the Interior (2015). Galiani and Jaitman (2015).

¹⁶ This program works with adolescents who: (i) were detained by police in one of the three police precincts, but not prosecuted (and were therefore released); and (ii) are considered at risk of becoming involved in criminal or violent situations, according to a risk assessment conducted using the ASSET methodology.

¹⁷ Evaluation Report on Implementation of Public Safety Integrated Management Program (Pantoja, 2015).

¹⁸ Idem.

¹⁹ Jóvenes en Red expanded the program to also support the reintegration into society of adolescents emerging from juvenile detention centers, using the same work methodology.

²⁰ Separately from the loan, the Ministry of the Interior also implemented programs for neighborhood violence prevention (Siete Zonas program), primary prevention (sports as a positive use of leisure time), and tertiary prevention (reduction of domestic violence using ankle monitors).

²¹ Refers to the design and implementation of policies based on the best available evidence and data (Puddy and Wilkins, 2011).

Ministry of the Interior and internationally renowned criminology centers that trained the Ministry personnel on techniques and interventions with strong evidence of impact.²² The main contributors included the Institute of Criminology (University of Cambridge), the Jill Dando Institute of Security and Crime Science (University College London), and the John Jay College of Criminal Justice (City University of New York). Thanks to these agreements, world-renowned experts not only trained civil servants and police officers in Uruguay but also advised on the adoption of techniques for criminal analysis and patrolling of critical areas during the POP pilot.²³

- 1.3 Despite the progress, challenges remain, and actions still need to be consolidated. In addition, the reforms that have been initiated have posed and/or revealed new challenges. There are two specific problems that the government is focusing on.
- 1.4 First, a high percentage of the violent robberies occur in Montevideo. Montevideo, with 40% of the country's population, accounted for 81% of the 21,126 violent robberies reported in Uruguay in 2015.²⁴ Also, 50% of the violent robberies in Montevideo occurred in physical locations (sections of certain streets) that account for only 3.6% of the city (see Map 1).²⁵ While the Montevideo Police Department has been able to increase deterrence in the city with a larger police presence, faster response, and an expanded video-surveillance system, there are pending reforms that the Ministry of the Interior has identified as key to enhancing its policy to reduce violent robbery.²⁶
- 1.5 Factors contributing to the low effectiveness of police in preventing and deterring crime in places with a high concentration of violent robberies can be summarized as shortcomings in: (i) assigning enough officers to hot spots;²⁷ (ii) implementing the POP model because there is no comprehensive strategy for police precincts,²⁸ which ends up being more reactive than preventive;²⁹ and (iii) having all tools and capabilities needed to analyze the crime of violent robbery, its causes, and its emergence and prevalence patterns, which would allow for strategic, tactical, and operational planning to resolve the problem.³⁰

²² They were trained on interventions such as hot-spot policing, which had a meta-analysis of five randomized experiments, with a medium average effect size (0.345) (Braga, 2011).

²³ During the POP pilot in Police Station 25, violent robberies decreased by 23% (Ministry of the Interior, 2015).

²⁴ Ministry of the Interior. Public Safety Management System. According to the latest Crime Victimization Survey, 7.1% of the population ages 18 or older in Montevideo suffered a violent robbery in the past 12 months (INE, 2011).

²⁵ Jaitman and Ajzenman, 2016.

²⁶ See footnote 14.

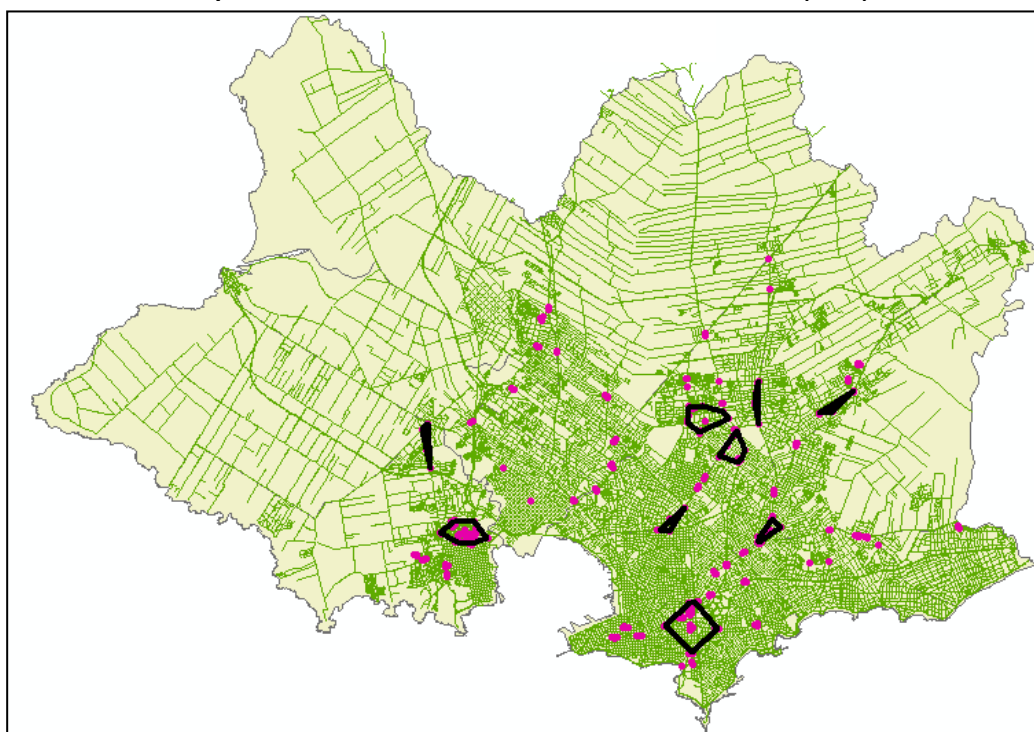
²⁷ The Crime Analysis Unit identified 120 street sections in Montevideo (fewer than 1%) that were the scene of 23% of the violent robberies reported in 2015 and verified that they had insufficient police presence (Crime Analysis Unit, 2016).

²⁸ While the POP pilot in the 25th precinct showed promising results, one of the lessons learned is that overcoming the resistance and issues in scaling POP requires universalizing the model to all the city's police precincts, which is what this program promotes and supports.

²⁹ The POP strategy was only implemented in one of Montevideo's 25 police precincts.

³⁰ Out of a total of 20,000 senior police officers, there are only 8 crime analysts, none of them with postgraduate studies.

Map 1. Distribution of violent robberies in Montevideo (2013)³¹



Source: Jaitman and Ajzenman (2016).

- 1.6 The second specific problem is the spatial clustering of high levels of domestic (intimate partner) violence and youth violence (by and against young people) in Montevideo.³² There is a group of 8-10 neighborhoods in Montevideo with high levels of socioeconomic vulnerability, high rates of victimization (violent crimes against women and young people), and a high incidence of adolescents and young people in trouble with the law. Prevention programs that are geographically targeted (like the Siete Zonas program) have raised awareness about the multifactorial and multiagency nature of violence and crime and implemented timely interventions that are valuable for the beneficiary population. However, they have not yielded the expected results in terms of reducing violence, because they lacked diagnostic assessments and solutions focused on the crime risk variables of each area

³¹ The dots and marks indicate the hierarchical clustering of the violent robberies.

³² Evidence that domestic and youth violence are prevalent in Montevideo includes: (i) 26.4% of women ages 15 or older in Montevideo who have or have had intimate partners experienced gender violence from their current or former partner in the past 12 months (INE, 2013, gender-violence survey); (ii) 6.46% of Montevideo's population were personally attacked or threatened to the point of feeling afraid in the past 12 months, and for those between the ages of 17 and 29, the percentage increases to 10.92% (Crime Victimization Survey, 2011); and (iii) 56% of violent robbery victims in the past 12 months in Montevideo perceived that minors were involved (Crime Victimization Survey, 2011).

- targeted.³³ Interagency coordination is still a major challenge for prevention policies, as revealed during project 2770/OC-UR.
- 1.7 Marconi and Casavalle are two of the neighborhoods that stand out because of their high concentration of violent crimes, social exclusion, and risk factors associated with violence. These neighborhoods represent 3% of Montevideo's population (38,224 persons living in 10,766 households) and have a young demographic structure (32% of the population is under the age of 14, compared with 19% for Montevideo), a high proportion of households with at least one unemployed member (13% in Casavalle and 18% in Marconi), and high levels of social vulnerability.³⁴ They account for 10.3% of homicides, 5.2% of violent robberies, and 4.9% of domestic violence incidents reported in 2015.
- 1.8 Factors contributing to the high concentration of domestic and youth violence in Marconi and Casavalle are: (i) a high rate of young people who neither study nor work, like in Marconi, where 76% of households have at least one young person between the ages of 14 and 29 who does not study or work;³⁵ (ii) a high prevalence of community norms that consider violence against women (by intimate partners) or children to be acceptable;³⁶ (iii) a high percentage of adults (nearly 14%) and adolescents (nearly 19%) with prison sentences have domicile in these neighborhoods, with a high likelihood of recidivism;³⁷ and (iv) the absence of safe public spaces for pedestrians and community life.³⁸
- 1.9 There is an additional factor that contributes to both violent robberies and domestic and youth violence, and which is a major concern for the Ministry of the Interior. It involves the lack of crime-solving strategies that are based on local scientific

³³ While impact evaluations were not conducted for the Siete Zonas program, violent crimes in general increased more than the municipal average (with some variations depending on the crime) (Pantoja, 2016).

³⁴ AFAM, TUS, and TUS Doble are Uruguay's three non-contributory transfer programs; the population that receives TUS Doble is the most vulnerable and the one that receives AFAM the least. Out of the total number of households in both neighborhoods, 78% are AFAM households, 23% TUS households, and 14% TUS Doble households (MIDES, based on 2011 Census). These percentages are high above those for Montevideo (AFAM 14.4%, TUS 3.9%, and TUS Doble 2.2%) (MIDES, based on 2011 Continuous Household Survey).

³⁵ MIDES census, 2016. In Casavalle: (i) 41% of households have at least one young person between the ages of 14 and 24 who neither works nor studies; (ii) 38% of young people between the ages of 12 and 17 do not attend school; and (iii) the unemployment rate for young people between the ages of 14 and 17 is 24%, and for those between the ages of 18 and 24, it is 16% (MIDES data capture, 2014; and MIDES based on 2011 national census).

³⁶ One opinion survey found that: (i) 17% think that "a man does not mistreat without a reason, she must have done something to provoke him"; (ii) 42% think that "if a woman is mistreated by her intimate partner, it is her fault for continuing to stay with him"; and (iii) 23% think "what happens between a couple is a private matter; no one has a right to get involved." (2012 Public Opinion Study on Gender and Domestic Violence).

³⁷ A Ministry of the Interior study estimated that approximately 14% of those released in 2015 provided a domicile in the 17th precinct, which greatly coincides with Casavalle and Marconi. A census of the records of imprisoned adolescents estimated that 19% of them came from the 11th district, which largely coincides with these neighborhoods (Adolescent Criminal Responsibility System, 2015). In Uruguay, it is estimated that 60% of prisoners become repeat offenders (National Rehabilitation Institute, 2016).

³⁸ In Casavalle: (i) 64% of residents perceive that the area has insufficient public spaces; (ii) 30% said that their neighborhood's public spaces are very safe or safe, 38% that they are unsafe or very unsafe, 24% had no opinion, and 8% did not know/did not answer (Emerging and Sustainable Cities-IDB, 2015); and (iii) more than half of the households said that there was trash accumulated on their block (MIDES, 2014).

evidence and whose effectiveness has been rigorously evaluated.³⁹ Security is regarded as a “blank space” in the National Science and Technology System, meaning that there is little or no scientific research available.⁴⁰ While the partnerships with universities of international excellence that the previous loan supported were extremely valuable, one lesson that the Ministry of the Interior learned is that depending on foreign sources is neither sustainable nor desirable.⁴¹

- 1.10 Therefore, the government requested a new operation to tackle these specific problems and their determinants, as well as to consolidate the reforms already initiated with the Bank’s support. The new loan takes a comprehensive approach to citizen security, focused on three major initiatives. In Montevideo, it will strengthen police control, deterrence, and prevention of violent robberies, perfecting the new deterrent patrolling strategy in critical areas and addressing causes of crime by implementing the POP model in the city’s 25 police precincts. In Montevideo’s two most violent neighborhoods, this preventive policing work will be combined with social and urban prevention strategies that focus on youth and intimate partner violence. A third initiative to support these two will focus on developing analytical projects to better understand the factors that cause these problems and rigorously test solutions. This will be done through a proposed Center for Applied Criminology, which will also support impact evaluations for the interventions proposed.
- 1.11 The effect of the judicial system on preventing violent robberies, intimate partner violence, and youth violence is beyond the control of the Ministry of the Interior and of the loan.⁴² This may affect the results of the loan if there are changes in: (i) the level of crime-solving;⁴³ or (ii) the rates of imprisonment.⁴⁴ While the former is positively related to the opportunity cost of committing a crime, the latter is negatively related.
- 1.12 **Lessons learned and relationship to other Bank operations.** For the design of the program, the Citizen Security and Justice Sector Framework Document (document GN-2771-3), the latest thematic evaluation from the Office of Evaluation and Oversight, and the lessons learned from the Integrated Local Management Program for Citizen Security in Uruguay (2770/OC-UR) and similar projects in the region were taken into account. Some of the lessons learned are as follows: (i) include activities to modernize the police force, turning it into an efficient institution

³⁹ There are 1,600 researchers registered in the National Researcher System for all of the country’s science and technology areas, but only 12 with articles/papers (18) listed in Uruguay’s main academic search engines on crime. “Of the 18 works reviewed, none analyzed the violent robbery phenomenon, 3 analyzed youth violence, and 1 analyzed domestic violence. However, none of them analyzes the effectiveness of programs to reduce these crimes in Uruguay” (Dammert, 2016, page 5).

⁴⁰ “ANII officials were interviewed, and they said that the Strategic Science, Technology, and Innovation Plan did not include the subject of security, which is considered a ‘blank space’ ” (Dammert, 2016, page 7).

⁴¹ See Dammert’s report (2016, page 8 and annex) for a review of ways to develop local capacities based on potential options, employee interviews, and an analysis of local and international experiences.

⁴² This includes some links to the judicial system, since it strengthens coordination with prosecutors for: (i) alternative dispute resolution; and (ii) criminal analysis of patterns of violent robberies, intimate partner violence, and youth violence.

⁴³ In 2015, 18% of violent robberies in Montevideo and 92% of domestic violence reports were prosecuted (Public Safety Management System, Ministry of the Interior).

⁴⁴ In 2014, 72% of prosecutions resulted in prison sentences, a figure that is not disaggregated by type of crime (Judicial Branch, 2014).

- that provides better service and is closely engaged with the local community (2745/BL-HO); (ii) implement police reforms on an institution-wide scale (2770/OC-UR); (iii) include effective interagency coordination mechanisms, since addressing the multifaceted phenomenon of violence requires multiple thematic over different time horizons (3191/OC-JA); and (iv) address the need to strengthen local capacities to generate and use scientific evidence regarding effective interventions to reduce violent crime in Uruguay (2584/OC-EC). For more details, see [document on lessons learned](#).
- 1.13 The program design is aligned with the Operational Guidelines for Program Design and Execution in the Area of Civic Coexistence and Public Safety (document GN-2535-1). The work of the POP program includes activities to strengthen the local public safety and civic coexistence committees, which focus on participation and accountability to promote local safety and are made up of the organized members of the community, police, and the Ministry of the Interior. The Bank will also support the implementation of a police code of ethics developed with the Organization of American States, in order to strengthen the Ministry of the Interior's internal affairs area.
- 1.14 **Strategic alignment.** The operation is aligned with the objectives of the public sector management area of the IDB country strategy with Uruguay 2016-2020 (document GN-2836), which proposes to strengthen the capacity to analyze crime phenomena and support interventions that emphasize police efficiency and address youth violence and violence against women. This operation is included in the 2016 Operational Program Report (document GN-2849). It is consistent with the Update to the Institutional Strategy 2010-2020 (document AB-3008) and aligns with the social inclusion and equality challenge by seeking to reduce crime and violence in socioeconomically vulnerable neighborhoods and groups in Montevideo, favoring their social inclusion. The program is also aligned with the following crosscutting topics: (i) institutional capacity and rule of law, by strengthening the deterrence, prevention, analysis, and criminal investigation capacities of Uruguay's National Police; and (ii) gender equality and diversity, by comprehensively addressing risk factors that generate violence against women (intimate partner violence) and against young people in neighborhoods that are highly vulnerable to crime. In addition, considering the Corporate Results Framework 2016-2019 (document GN-2727-6), the program aligns with the following Regional Context indicators: (i) subnational governments benefited by citizen security projects; and (ii) government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery. This is done through impact indicators from the program's Results Matrix: (a) I.2 and I.3; and (b) the outcome indicators associated with Montevideo. It is aligned with the Sector Strategy: Institutions for Growth and Social Welfare (document GN-2587-2), specifically its components to reduce crime and violence by strengthening the institutional capacities of sector entities. It is also consistent with the Citizen Security and Justice Sector Framework Document (document GN-2771-3).⁴⁵ In addition, the operation aligns with the Bank's

⁴⁵ It fulfills the four dimensions of the Citizen Security and Justice Sector Framework Document inasmuch as it works with: (i) at-risk young people and women; (ii) police; (iii) rehabilitation and reintegration for prisoners; and (iv) security management.

Operational Policy on Gender Equality in Development (document GN-2531-10), which seeks to prevent gender violence.

B. Objectives, components, and cost

- 1.15 The general objective of the program is to help reduce violent crimes against property (particularly violent robberies) and against persons (particularly domestic and youth violence) in Uruguay. The specific objectives are: (i) to reduce the rate of violent robberies in Montevideo; and (ii) to reduce the rate of domestic violence (by intimate partners) and youth violence (by and against young people) in two pilot neighborhoods that are highly vulnerable to crime in Montevideo (Marconi and Casavalle). The program will have three components.
- 1.16 **Component 1. Targeted policing strategies for crime prevention (US\$2,222,732).** The objective of this component is to reduce the rate of violent robberies in Montevideo by strengthening the deterrence, prevention, analysis, and criminal investigation capacities of Uruguay's National Police. This component will finance the procurement of consulting services, goods, and nonconsulting services to: (i) strengthen the High-Intensity Operations Program (PADO)⁴⁶ through technical assistance to periodically update the operating strategy, develop spatial analysis tools and mobile apps, and train 1,100 PADO police officers on community relations, deterrence, and problem-solving;⁴⁷ (ii) support implementation of the POP model⁴⁸ in the Montevideo Police Department's Community Police Precincts Program⁴⁹ by training 650 police officers in the POP model and conflict resolution, providing financial support to implement 250 POP projects, and establishing an incentive system for adoption of the POP model in the Montevideo Police Department (awards for POP projects at annual conferences);⁵⁰ and (iii) strengthen the Crime Analysis

⁴⁶ PADO, which the Ministry of the Interior created in April 2016, recruited a group of police officers who work exclusively on patrolling critical areas in places with a high concentration of violent robberies and less of a police presence. These officers receive salary incentives and must be willing to be extremely flexible as far as schedule and areas of patrol. PADO is underway, focusing on 120 sections of street grouped into 26 circuits; 23% of the city's violent robberies occur in these circuits between 5 p.m. and 1 a.m. (Ministry of the Interior, 2016). The patrolling strategy will be updated based on the analysis that the loan proceeds will facilitate.

⁴⁷ Braga (2011) conducted a meta-analysis of five randomized controlled experiments (RCE) on hot-spot policing and found a significant positive treatment effect for four of the five programs analyzed, with a medium average effect size (0.345).

⁴⁸ POP is a method for analyzing crime issues, determining responses, and evaluating the impact of the responses. POP focuses on maximizing the capacity to prevent crime and control citizen security threats, instead of depending on reactive and repressive activities as the primary means of achieving a reduction in crime.

⁴⁹ This program was launched in 2016 to transform the Montevideo Police Department's 25 police precincts into community police prevention services with POP techniques and restorative justice/community mediation techniques. Each of the 25 police precincts will identify a group of 10 first-year police officers and a group of 10 second-year police officers to be trained in the POP model and to implement POP projects in their precincts. They will have support from the Crime Analysis Unit for in-depth problem analysis and ongoing technical assistance from experts in the method, in order to identify the most effective solutions.

⁵⁰ The meta-analysis of impact evaluations (experimental and quasi-experimental) of POP interventions conducted by Weisburd et al. (2010) found that the average effect size is between .10 and .20 for POP interventions. A comparison of various policing strategies (Taylor et al., 2011) revealed that the POP strategy reduces crime with more lasting effects over time.

Unit by providing training on spatial crime analysis and crime investigation, as well as hardware and software for spatial analysis.⁵¹

- 1.17 **Component 2. Comprehensive crime prevention in highly vulnerable neighborhoods (US\$2,000,000).** The objective of this component is to implement two pilot projects to comprehensively address risk factors that generate violence against women (intimate partner violence) and young people in neighborhoods that are highly vulnerable to crime.⁵² The pilot neighborhoods selected for intervention are Marconi and Casavalle, located in Montevideo's Municipio D⁵³ (see Map 2). There was a two-stage process to select the neighborhoods. First, an index of vulnerable locations was prepared for Montevideo's 62 neighborhoods,⁵⁴ from which a subgroup of 10 neighborhoods with vulnerability levels that were significantly higher than the rest was identified. Second, the institutional conditions in those neighborhoods were analyzed with a view to successful implementation of the pilot projects. Marconi and Casavalle were selected because they are adjacent neighborhoods located in areas that the Office of the President has prioritized, and they have an active interagency coordination mechanism, the Interagency Coordination Committee for Marconi and Critical Neighborhoods.⁵⁵ Through this committee, there will be close coordination with Component 1, in order to ensure a strong preventive police presence with close ties to the community.

⁵¹ [Garicano and Haeton \(2014\)](#). The estimated impact of combining improvements in technology and investigations for crime reduction is a 5% decrease in crime. This explains the strategic value of high-quality crime analysis on effective police deterrence and prevention interventions.

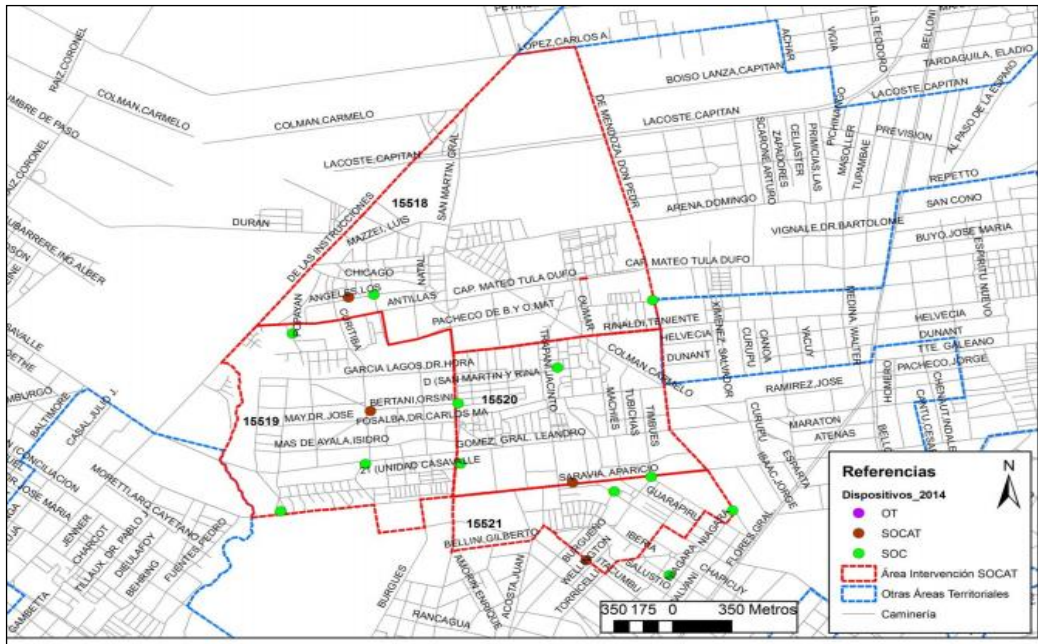
⁵² These are based on the Integrated Cognitive Antisocial Potential theory, which explains how antisocial behavior patterns emerge and strengthen, including individual and contextual factors that are empirically associated with crime (Farrington, 2011. *Integrated Developmental and Life-Course Theories of Offending*).

⁵³ Municipio D is one of eight municipal governments that are divisions of Montevideo's departmental government. Municipal governments are elected by the citizens and have jurisdiction over works in the secondary road network; maintenance of public lighting; cleaning and maintenance of public spaces and green areas; execution of social programs; cooperation with the administration of national public policy; and promotion of neighborhood participation.

⁵⁴ The index adapted the model from the Vulnerable Localities Index (Chainey, 2008) and included: per capita reports of violent robberies and domestic violence (vulnerability to crime); the number of children under the age of 14 in the neighborhood (vulnerable target population); the percentage of households below the poverty line; and the neighborhood's unemployment rate (socioeconomic vulnerability).

⁵⁵ This committee, appointed by Uruguay's president, is coordinated by the deputy minister for social development of MIDES and made up of representatives from the Ministry of the Interior, the education sector (Ministry of Education and Culture and National Public Education Administration), the health sector (State Health Services Administration), the Ministry of Housing, the Ministry of Labor, the Municipal Government of Montevideo, the mayor of Municipio D, and other relevant public entities. The committee coordinates closely with civil society organizations (religious organizations with a major neighborhood presence, cultural organizations, etc.).

Map 2. Map of Marconi (15521) and Casavalle (15518, 15519, 15520) neighborhoods



Source: MIDES (2016)

- 1.18 This component will finance the procurement of consulting services, goods, and nonconsulting services to: (i) conduct a diagnostic assessment of the microdynamics and risk factors of crime in order to design a comprehensive neighborhood intervention plan to reduce intimate partner violence and youth violence; (ii) contract and train technical specialists and procure equipment to increase coverage and expand the youth violence prevention services offered through the Ministry of the Interior's "Pelota al medio a la Esperanza" program, with interventions to prevent students from dropping out and to help dropouts return to school,⁵⁶ as well as work skills acquisition to facilitate future employability;⁵⁷ (iii) contract and train technical specialists to implement a community program for the prevention of intimate partner violence through the Ministry of the Interior's Gender Policies Division, adapting the methodology used by SASA! to promote

⁵⁶ Becoming a Man (BAM) is a program developed by the University of Chicago and Youth Guidance, a nongovernmental organization. An RCE that the university conducted with vulnerable adolescents (n=2,740) reported that BAM increased the graduation rate for adolescents from 10% to 23%, while generating a 44% decrease in arrests for violent crimes among beneficiaries. A second RCE for BAM showed a 31% decrease in arrests (Heller, S.B. et al., 2015. "Thinking, Fast and Slow? Some Field Experiments to Reduce Crime and Dropout in Chicago." NBER Working Paper No. 21178).

⁵⁷ Programs like *Galpão Aplauso*, an innovative employability program for vulnerable young people in Rio de Janeiro with evidence of a 33.3% increase in the likelihood of being employed and a 23.6% increase in income (Calero et al., 2014), will be used as an example.

community social norms aimed at reducing gender violence;⁵⁸ (iv) contract and train technical specialists to implement a program to support the prison-to-community transition for released adults through the Ministry of the Interior's National Office for Former Convicts, including a job placement service, which adapts principles of the risk-need model and cognitive behavioral interventions that are consistent with this model to reduce recidivism;⁵⁹ (v) conduct participatory diagnostic assessments of situational urban crime prevention jointly with the municipio, to identify areas that present physical risks or generate a perception of insecurity and finance low-cost, high-impact interventions to administer public spaces (equipment and furnishings), in order to reduce the frequency of crime in the intervention's area of influence;⁶⁰ and (iv) implement an intersectoral protocol for crime prevention and a fund to support community initiatives to strengthen coordination with local actors to jointly address cases of at-risk young people and women related to other initiatives in the component (like support for youth recreation or cultural activities).

- 1.19 **Component 3. Promotion of the use of scientific evidence in policy-making (US\$3,100,222).** The objective of this component is to support the operations of the Center for Applied Criminology of Uruguay (CCAU) in order to: (i) produce empirical scientific knowledge and educate researchers who focus on Uruguay's main citizen security problems and programs; and (ii) provide technical advisory services to the authorities and train personnel to use scientific evidence for crime and violence prevention. The CCAU will operate as a new program under the Ministry of the Interior, governed by an executive council or committee (see section III.A). It will have cofinancing and technical support from the National Research and Innovation Agency (ANII), which has developed a line of work devoted to promoting these types of scientific and technology centers and hubs.

⁵⁸ SASA! is an intimate partner violence prevention program developed by Raising Voices, a nongovernmental organization. A recent RCE (2007-2012) conducted in eight communities in Kampala, Uganda, found that surveys carried out (n=2,532) after SASA! was implemented reported lower social acceptance of intimate partner violence (adjusted risk ratio=0.54) among both men and women. There was also less physical abuse (adjusted risk ratio=0.48) and sexual abuse (adjusted risk ratio=0.76) reported in the context of intimate partner relationships for the 12 months prior to the survey (Abramsky, Devries, Kiss, et al., 2014).

⁵⁹ Application of the model has led to significant decreases in recidivism for sex crimes, violent crimes, and property crimes. Travers, Mann, and Hollin (2014) report a reduction of 13 percentage points in recidivism for sex crimes, 17 points for violent crimes, and 10 to 12 points for other common crimes other than robbery. Bonta, Bourgon, et al. (2011) found a reduction of 15 percentage points when compared with offenders supervised by officers who are not trained in the technique. Duwe (2012) evaluated the Minnesota Comprehensive Offender Reentry Plan using an experimental design, and found a reduction of six percentage points in recidivism, measured as new offense reincarcerations. As far as job placement for released adults, the model followed is from Chile's Work Reentry program, which has achieved placement rates of up to 85% through intermediation (Crime Prevention Secretary, Ministry of the Interior, 2013). This was based on New York's Center for Employment Opportunities model, which had an RCE that showed impacts of 11 percentage points in increased employment and 16% to 22% reduction in recidivism rates (MDRC, 2012). (See [Vertical Logic Matrix](#)).

⁶⁰ Certain situational crime prevention measures, such as improving public lighting, can decrease the perception of insecurity among the population if they are implemented well. Herbert and Davidson (1994) found that after an intervention to improve lighting, 67% of those residing in Cardiff and 44% of those residing in Hull reported that they felt safer on the street in those two areas. Herbert, D., and Davidson, N. (1994). *Modifying the built environment: the impact of improved street lighting*. Geoforum, 25(3), pp. 339-350.

- 1.20 This component will finance the procurement of consulting services, goods, and nonconsulting services to: (i) constitute the CCAU's research and training core,⁶¹ which will develop processes to evaluate relevant policies and programs for the Ministry of the Interior (including those associated with components 1 and 2 of this program), as well as training for civil servants, and a knowledge platform that features successful and promising practices to prevent and control crime, which can be used for decision-making based on scientific evidence in Uruguay; (ii) create a Ministry of the Interior-ANII Sector Fund to finance applied research in priority areas on the Ministry's knowledge agenda (which is being prepared and includes among its main themes violent robberies, patrolling strategies, youth violence, and domestic violence), with the research to be conducted pursuant to a cooperation agreement between the Ministry of the Interior and ANII (see section III.A); and (iii) develop an international training program for employees and young researchers in areas associated with the science of crime prevention, implemented jointly with a world-renowned university (or a consortium).⁶²
- 1.21 Research projects will be selected competitively based on criteria of innovation, relevance, and technical quality (background of researchers, methodology and work plan, transfer strategy, alignment with the Ministry of the Interior's priorities, focus on priority areas, etc.). Financing will be provided in the form of a nonreimbursable contribution that will cover up to 80% of cost of the projects, with a maximum of US\$50,000. Training for professionals will be conducted through open calls based on criteria such as academic merit and relevance, for citizens or residents with college degrees or equivalent higher education who work or aspire to work in the Ministry of the Interior's priority areas. Financing will be up to US\$5,000 per beneficiary and will cover enrollment expenses. The program Operating Regulations will specify the criteria for allocation and financing of research projects and training.

C. Key results indicators

- 1.22 **Expected results.** This project will build the capacities of the National Police to adopt a POP model in the Montevideo Police Department, in order to strengthen deterrence and prevention of violent robberies. Likewise, pilot projects to comprehensively address domestic and youth violence in two neighborhoods that are highly vulnerable to crime in Montevideo will be implemented. Among the main results expected are a decrease in the rate of violent robberies in Montevideo and in the rates of intimate partner violence and youth violence in Marconi and Casavalle. The results indicators are described in Annex II and in the [Indicative Results Matrix](#).
- 1.23 **Beneficiaries.** The program's main beneficiaries will be: (i) Montevideo's citizens, particularly those who live and pass through areas with a high concentration of violent robberies; and (ii) residents of two neighborhoods in Montevideo (Marconi

⁶¹ An academic director will coordinate this team, managing the following: (i) a research area composed of four full-time young researchers with various professional backgrounds (it is recommended that they include a political scientist/sociologist, an economist/statistician, a geographer/spatial analyst, and a criminologist); and (ii) a training and communications area.

⁶² A quasi-experimental evaluation of 147 communities in Pennsylvania found that in those that adopted evidence-based practices, there were 10.8% fewer crimes committed by young people than similar communities that did not implement those practices. Feinberg, M.E., Greenberg, M.T., Osgood, W.O., Sartorius, J., and Bontempo, D.E. (2010). "Can Community Coalitions Have a Population Level Impact on Adolescent Behavior Problems? CTC in Pennsylvania," *Prevention Science*.

and Casavalle), particularly women who are victims of intimate partner violence, and young people who are victims or perpetrators of violence.

- 1.24 **Economic analysis.** A cost-benefit analysis, prepared using conservative assumptions, estimated net benefits of US\$185,235,000, with a net value of US\$110,453,059 at a discount rate of 12%. The total cost of the program, assuming equal disbursements every year for a period of five years, is US\$8 million, with a benefit-cost ratio of 13.81, meaning that US\$13.81 will be recovered for every dollar invested. To achieve these results, it was assumed that at the end of the 5-year program, benefits would continue for 10 additional years, with the effect decreasing over those years by half. It is worth noting that the estimated results of the program are conservative inasmuch as they assume that: (i) the effects of the program will be less than what the literature suggests; and (ii) the benefits disappear after 15 years or the discount rate is sufficiently hyperbolic after 15 years to exclude those potential future benefits. A sensitivity analysis was conducted specifying more conservative scenarios, with robust results.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 This specific investment program will have a total cost of US\$8 million and will be financed with an investment loan of US\$6 million (75%) from the Bank's Ordinary Capital and a local cash contribution of US\$2 million (25%) (see Table 2). The disbursement period will be five years.

Table 2. Program costs

Component	IDB	Local contribution	Total US\$
I. Targeted policing strategies for crime prevention	1,491,802	730,930	2,222,732
II. Comprehensive crime prevention in highly vulnerable neighborhoods	1,639,344	360,656	2,000,000
III. Promotion of the use of scientific evidence in policy-making	2,304,882	795,340	3,100,222
Administration, evaluations, and audits	563,972	113,074	677,046
Total	6,000,000	2,000,000	8,000,000

B. Environmental and social risks

- 2.2 No adverse environmental or social impacts are expected. In accordance with the Environment and Safeguards Compliance Policy (OP-703), the program has been classified as a category "C" operation.

C. Fiduciary risks

- 2.3 During the risk workshop, using the project risk management method, no fiduciary risks were identified. The executing agency has prior experience with implementation of the Integrated Local Management Program for Citizen Security, with a satisfactory fiduciary management record. In addition, the update to the institutional capacity assessment of the Ministry of the Interior revealed a satisfactory level of development in its institutional capacity and therefore a low risk level. The

ANII also has experience with IDB-financed loans, and its fiduciary capacity is satisfactory.

D. Other project risks

- 2.4 During program preparation, a total of nine risks were identified: one was evaluated as high risk, three as medium risk, and the remainder as low risk. The high and medium risks identified and their respective mitigation measures are as follows: (i) there is a high risk of resistance among police personnel to the new way of working entailed by the problem-oriented policing (POP) model.⁶³ Mitigation measures include designing a training program that uses “learning by doing,” universalizing this policing method in all police precincts in Montevideo through a directive from the National Police Director, providing incentives through an annual POP award, and creating a mechanism for ongoing monitoring of reform implementation; (ii) inasmuch as the ANII will play an important role in executing Component 3, there is a risk that it will be difficult to organize and coordinate the timing of calls for proposals and cofinancing resources. To mitigate this risk, the agreement with the ANII will include detailed technical specifications regarding deadlines and proposal requirements, as well as measures to ensure ongoing interaction during execution; (iii) inasmuch as the program will introduce new methods into existing Ministry of the Interior programs as part of Component 2, there is a risk associated with getting technical teams in the field to adopt these methods. To mitigate this risk, new technical qualifications will be added, technical specialists already in place will be trained, and new specialists will be contracted to monitor field work; and (iv) the lack of qualified human resources for the CCAU was identified as a medium risk. To mitigate this risk, there are plans to implement a good communications strategy on the mission of the CCAU in order to attract qualified professionals, as well as plans to provide flexible working conditions for some CCAU positions. Lastly, an evaluation of internal control and external oversight mechanisms showed that the Ministry of the Interior and the Uruguayan government have multiple mechanisms in place to mitigate the risks inherent in police work.
- 2.5 **Sustainability.** The project was designed to have a high degree of integration with and ownership by the Ministry of the Interior’s institutional structure, which facilitates its sustainability. All Component 1 and 2 activities seek to add value to Ministry initiatives or units that are already in place, ensuring that the Ministry will absorb the capacities generated by the program and the lessons learned from it. The only new institutional structure that the program proposes is the creation of the CCAU, which was designed to achieve sustainability in two ways: (i) by forging a strategic partnership with the ANII, the government body that coordinates the financing of research and researcher training in Uruguay and has financing for the government’s areas of priority;⁶⁴ and (ii) by including the sale of services (to the private sector, the government, or regional partners) as one of the CCAU’s lines of work, to be

⁶³ POP involves horizontal coordination and team work to analyze patterns and carry out preventive interventions. This entails a cultural shift in the policing model, which tends to be more hierarchical and oriented towards individual responses to incidents after they occur.

⁶⁴ The ANII will contribute 50% of the resources for the Sector Fund, and the Ministry of the Interior will contribute the rest. As long as the CCAU meets the government’s expectations, it will become sustainable through integration into the ANII’s regular instruments, mainly under a new National Science and Technology Plan that should be formulated by 2020.

developed gradually using a strategy designed by a CCAU member in charge of fundraising.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Execution mechanism.** The Ministry of the Interior will execute the program through an execution unit established for this purpose. The Ministry has proven experience in executing Bank-financed projects and is currently finalizing execution of the Integrated Local Management Program for Citizen Security, which is being implemented by the same execution unit.⁶⁵
- 3.2 The execution unit will be in charge of program execution, management, and general coordination and will be the Bank's direct contact. It will also be responsible for the financial and accounting management for the operation. The execution unit's main functions will be technical and operational coordination of the program, programming of interventions, and supervision of the preparation, execution, and evaluation of interventions and program monitoring and evaluation. **As a special contractual condition precedent to the first disbursement of loan proceeds, the Ministry of the Interior will establish an execution unit for the program.**
- 3.3 The execution unit will have several strategic coordination mechanisms. Some of them already exist and the program will just reinforce them: (i) an interagency police reform committee (Component 1); and (ii) an interagency committee for Marconi and critical neighborhoods (Component 2, subcomponent vi). Other mechanisms will be created through agreements: (i) a technical cooperation agreement with Municipio D (Component 2, subcomponents i and v); and (ii) an execution agreement with the ANII (Component 3).
- 3.4 **Component 1.** The National Police Management Framework Study Commission⁶⁶ was established to coordinate all police reforms across the various units of the Ministry of the Interior. It is composed of representatives from the National Police Director's Office (one from operations and another from analysis); representatives from the budget and institutional development and the information systems areas in the Ministry of the Interior; and the coordinator of the execution unit. This commission will hold biweekly meetings to make strategic decisions for program execution. The execution unit will be responsible for executing activities under this component.
- 3.5 **Component 2.** To execute the activities related to diagnostic assessment of the community (subcomponent i) and situational urban crime prevention (subcomponent v), a technical cooperation agreement will be signed with Municipio D. Its objective is to have cooperation from municipal technical teams in order to perform diagnostic assessments and prepare terms of reference for the main procurement activities. Program resources will be directly managed (procurements and payments) by the execution unit, and the municipal team will

⁶⁵ It has implemented loan 2770/OC-UR, which is still in execution, and ATN/KP-13287-UR, which has closed, in both cases efficiently and transparently.

⁶⁶ This committee was created pursuant to a ministerial decree.

provide support for the control and monitoring of consulting services or for the procurement of goods/execution of works, as applicable.

- 3.6 As a special contractual condition of execution of Component 2, the executing agency and the respective municipio will sign a cooperation agreement establishing terms and conditions for the municipio's participation in program activities, prior to the start of activities related to diagnostic assessment of the community and situational urban crime prevention. In addition, as part of implementation of social prevention measures, the execution unit will organize and coordinate with other programs within the Ministry of the Interior. In order to execute initiatives to coordinate with local actors as part of Component 2, resources will be managed as a competitive fund administered by the execution unit, in close coordination with the interagency coordination committee for Marconi and critical neighborhoods. Public and private entities, civil society organizations, schools, and individuals may present proposals, which should focus on measures that contribute to the achievement of program objectives. The program Operating Regulations contain further details about the fund.
- 3.7 **Component 3.** The CCAU will be an administrative unit of the Ministry of the Interior and will engage in ongoing coordination with the execution unit. An executive council or committee will be created that consists of five members representing the Ministry of the Interior, the National Police Education Office, the ANII, one national expert, and one international expert. In addition, the CCAU's executive director and its academic director will be nonvoting members of the board. The executive council or committee will be in charge of approving the annual research and training agenda for the CCAU's internal and external projects. The CCAU will have an executive director appointed by the Ministry of the Interior, who will be responsible for implementing the center's development and operational decisions. The CCAU's team of experts will develop all proposed activities. The Sector Fund will be developed through an agreement with the ANII, which will be in charge of its organization and development.
- 3.8 As a special contractual condition of execution of Component 3, the executing agency and the ANII will sign an execution agreement defining the terms and conditions for ANII participation in program activities, prior to the start of activities financed under the component. Lastly, there will be an international bidding process to develop a comprehensive, four-year applied criminology training program. An advisory council will approve the terms of this bidding process, which will be in keeping with the regulatory frameworks established for this type of initiative by the Bank and the Ministry of the Interior.
- 3.9 The program Operating Regulations contain further details about coordination and the responsibilities of all the entities participating in program execution. **As a special contractual condition precedent to the first disbursement of loan proceeds, the Ministry of the Interior must submit evidence of the entry into force of the program Operating Regulations under the terms and conditions previously agreed upon with the Bank.**
- 3.10 **Retroactive financing.** The Bank may provide retroactive financing, to be paid from the loan proceeds, for eligible expenditures incurred by the borrower prior to the loan approval date for consulting services, goods, and/or nonconsulting services for up to US\$1.2 million (20% of the proposed loan amount), provided that they comply

with requirements substantially analogous to those established in the loan contract. Such expenditures must have been made on or after 15 July 2016 (project profile approval date) but in no case may they include expenditures made more than 18 months prior to the loan approval date.

- 3.11 **Procurement of goods, services, and works.** The procurement policies applicable to this loan are the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-9).
- 3.12 **Fiduciary agreements and requirements.** The fiduciary agreements and requirements are based on the Ministry of the Interior's background as the executing agency for loan 2770/OC-UR, which is in the final stage of execution, as well as the institutional capacity assessment report prepared in 2012 and updated in July 2016, using the ICAS methodology.
- 3.13 **Audits.** During execution, the coordination unit will submit audited financial statements for the program on an annual basis, in accordance with Bank terms. As agreed with the executing agency, the audit will be performed by the Audit Office of the Republic (TCR). The annual audited financial statements will be submitted within 120 days following the close of each fiscal year, and the final financial statement will be submitted within 120 days after the date of the last disbursement.
- 3.14 **Disbursements.** To prevent a lack of liquidity, disbursements will be made in the form of advances. Preferably, these advances will be made on a semiannual basis, once at least 75% of the advance has been justified.

B. Summary of arrangements for monitoring results

- 3.15 The execution unit will perform control and monitoring of fulfillment of the outcome and output indicators for the interventions. The following instruments will be used to monitor the program: multiyear execution plan, annual work plans, semiannual reports, and onsite supervision.
- 3.16 There will be two evaluations: a midterm evaluation and a final evaluation based on terms of reference agreed upon with the Bank. The midterm evaluation will be conducted when at least 50% of the loan proceeds have been disbursed or two and a half years after the entry into force of the loan contract, whichever occurs first. The final evaluation will be conducted when 95% of the loan proceeds have been disbursed. These evaluations will be key milestones for the monitoring system. The reports will include: (i) the results of physical and financial execution; (ii) fulfillment of the goals set out in the results matrix; (iii) a summary of the findings of the audits and results of the implementation of improvement plans; and (iv) a summary of the main lessons learned. In the case of the midterm evaluation, recommendations to help achieve a proper level of execution will specifically be taken into account in the event of any problems. The final report will include an ex post economic evaluation of the program.
- 3.17 The program includes a plan for impact and process evaluations of the various interventions that will be supported. In order to take advantage of the CCAU's capacity and the financing of the Ministry of the Interior-ANII Sector Fund, the proposal is for the CCAU team to perform or commission a series of evaluations related to the program as well as to other government or civil society initiatives. This

includes two impact evaluations: (i) of PADO and the impact on violent robberies (associated with Component 1); and (ii) of the youth violence prevention program and the impact on educational and employment placement of vulnerable young people, as well as on efforts to help them avoid a life of crime. Qualitative and process evaluations are planned for the POP and PADO initiatives. For a description of this evaluation plan, see the [Monitoring and Evaluation Plan](#).

Development Effectiveness Matrix				
Summary				
I. Strategic Alignment				
1. IDB Strategic Development Objectives		Aligned		
Development Challenges & Cross-cutting Themes		-Social Inclusion and Equality -Gender Equality and Diversity -Institutional Capacity and the Rule of Law		
Regional Context Indicators				
Country Development Results Indicators		-Subnational governments benefited by citizen security projects (#) -Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery (#)		
2. Country Strategy Development Objectives		Aligned		
Country Strategy Results Matrix	GN-2836	Increase the effectiveness of the National Police in the prevention of crime.		
Country Program Results Matrix	GN-2849	The intervention is included in the 2016 Operational Program.		
Relevance of this project to country development challenges (If not aligned to country strategy or country program)				
II. Development Outcomes - Evaluability		Highly Evaluable	Weight	Maximum Score
		9.2		10
3. Evidence-based Assessment & Solution		9.0	33.33%	10
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		8.5	33.33%	10
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		0.0		
4.3 Identified and Quantified Costs		1.5		
4.4 Reasonable Assumptions		1.5		
4.5 Sensitivity Analysis		1.5		
5. Monitoring and Evaluation		10.0	33.33%	10
5.1 Monitoring Mechanisms		2.5		
5.2 Evaluation Plan		7.5		
III. Risks & Mitigation Monitoring Matrix				
Overall risks rate = magnitude of risks*likelihood		Medium		
Identified risks have been rated for magnitude and likelihood		Yes		
Mitigation measures have been identified for major risks		Yes		
Mitigation measures have indicators for tracking their implementation		Yes		
Environmental & social risk classification		C		
IV. IDB's Role - Additionality				
The project relies on the use of country systems				
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External control. Procurement: Information System, Shopping Method, Contracting individual consultant.		
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				
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 proposes two impact evaluations: an evaluation of the policing strategy oriented by information on crime reduction - High Dedication Operational Program (PADO) - in critical areas; and an evaluation of the "Pelota al Medio to Hope" program of youth violence prevention in vulnerable situations through education and employment. The program will be strengthened with the adoption of the elements from the "Becoming a Man" methodology. The evaluation methodology for the evaluations will be Differences in Differences with Propensity Score matching.	

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

In Uruguay, lacks of security and crime have become the major public concerns, associated with the recent increase in violent crimes, especially robberies, domestic violence and youth violence. More than 80% of the complaints received annually are for property crimes, and 83% of these are for theft or robbery. In the past year, 23% of the women 15 or older have experienced violence from their partners or ex-partners. Young people between 17 and 29 years were 43% of the population of Uruguay that was attacked, threatened or suffered a robbery in the same period of time. In this context, two specific problems were identified: (1) high percentage of robberies in Montevideo, and (2) spatial concentration in 8-10 neighborhoods of the city with high levels of domestic violence (partner) and youth violence (for and against youth). The determinants of the main problems are identified and quantified. However, the POD does not effectively quantify how much of the main problems can be explained by the determinants of the problems identified.

The project's vertical logic is clear and well specified. The project presents adequate evidence of internal validity of the proposed solutions. The Result Matrix included in the loan proposal contains all of its required elements for the monitoring of the project.

The project's economic analysis is partially adequate. Taking a social discount rate of 12%, a time horizon of 15 years and benefits and costs at market price, the program proposed is economically viable. The benefit cost ratio under the conservative scenery is estimated at 13.81. Although the benefits estimated are sufficient to justify the investment, the economic analysis has systematically underestimated the medium and long-run benefits of the project. For component 1, it does not consider the longer term benefits that the change to an evidence based policing model with associated investment in the Center for Criminology would bring; for component 2, it does not contemplate the life-cycle human capital benefits of investing in youth education and labor market competencies; and lastly for component 3, it does not include the direct impacts of establishing the Center of Criminology on the effectiveness of future policy making in Uruguay.

The loan proposal includes a satisfactory monitoring and evaluation plan. The project has identified and adequately addressed the monitoring and evaluation requirements and data availability. The project proposes two impact evaluations: (1) an evaluation of the policing strategy oriented by information on crime reduction - High Dedication Operational Program (PADO) - in critic areas with high index of robberies; and (2) an evaluation of the program "Pelota al Medio to Hope" of youth violence prevention in vulnerable situations through the promotion of education and employment, seeking to prevent the onset of criminal life-cycle paths. The program will be strengthened with the adoption of the elements from the "Becoming a Man" program methodology. The evaluation methodology for the evaluation will be Differences in Differences with Propensity Score matching.

The project's overall risk rating is medium. Of the five risks identified, two were classified as medium and one as high. Mitigation measures were identified with adequate monitoring indicators.

RESULTS MATRIX

Project objectives:	The general objective of the program is to help reduce violent crimes against property (particularly violent robberies) and against persons (particularly domestic and youth violence) in Uruguay. The specific objectives are: (i) to reduce the rate of violent robberies in Montevideo; and (ii) to reduce the rate of domestic violence (by intimate partners) and youth violence (by and against young people) in two pilot neighborhoods that are highly vulnerable to crime in Montevideo (Marconi and Casavalle).
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EXPECTED IMPACT

Indicators	Measurement unit	Baseline 2016	Targets ¹ 2021	Means of verification/ Observations ²
To reduce violent crimes against property (violent robberies) and against persons (domestic and youth violence)				
I.1 Population ages 18 or older that suffered a violent robbery in the past 12 months in Uruguay.	%	4.4 ³	3.7	Crime Victimization Survey (INE, Ministry of the Interior)
I.2 Women ages 15 or older who have or had intimate partners and experienced gender violence at the hands of their current or former partner in the past 12 months in Montevideo.	%	26.4 ⁴	25.9	Gender Survey (INE, Ministry of the Interior)
I.3 Young people ages 18-29 who were personally attacked or threatened to the point of feeling afraid in the past 12 months in Montevideo.	%	7.58 ⁵	6	Crime Victimization Survey (INE, Ministry of the Interior)
I.4 Violent robberies reported to the police in the past 12 months in Uruguay.	Number	21,126 ⁶	17,746	Administrative records (Ministry of the Interior), impact evaluation

¹ A new Crime Victimization Survey will be conducted in 2021.

² For observations and more details, see [Indicative Results Matrix](#).

³ The latest data available are being used (Crime Victimization Survey, INE-Ministry of the Interior, 2011) and will be updated when the 2016 Crime Victimization Survey becomes available.

⁴ The latest data available are being used (Gender Survey, INE, 2013), and will be updated when the new INE-MIDES Gender Survey, expected for 2017, becomes available.

⁵ Idem 3.

⁶ Administrative records (Ministry of the Interior) for 2015, to be updated with data for 2016 when it becomes available.

EXPECTED RESULTS

Expected outcomes	Measurement unit	2016 baseline	2021 targets	Means of verification/ Observations ⁷
Specific objective 1. To reduce the rate of violent robberies in Montevideo				
R1.1 Population ages 18 or older that suffered a violent robbery in the past 12 months in Montevideo.	%	7.1 ⁸	5.6	Crime Victimization Survey (INE, Ministry of the Interior)
R1.2 POP projects that were implemented and for which an impact evaluation was conducted and completed.	Impact evaluation completed and published.	0	3	CCAU report (Ministry of the Interior)
R1.3 Programs to combat violent robberies that incorporate at least one evidence-based activity from an impact evaluation (following experimental or quasi-experimental methodology, with independent peer review), coordinated / advised by the CCAU.	Evidence-based project that derived from a published impact evaluation.	0	2	CCAU report (Ministry of the Interior)
Specific objective 2. To reduce the rate of domestic violence (by intimate partners) and youth violence (by and against young people) in two pilot neighborhoods that are highly vulnerable to crime in Montevideo (Marconi and Casavalle)				
R2.1 Women ages 15 or older in Marconi and Casavalle who have or had intimate partners and experienced gender violence at the hands of their current or former partner in the past 12 months.	%	26.4 ⁹	21 ¹⁰	Crime Victimization Survey for Marconi and Casavalle (INE, Ministry of the Interior)
R2.2 Persons ages 15 or older in Marconi and Casavalle who believe that women must tolerate violence in order to keep their family together. ¹¹	%	23 ¹²	18	Crime Victimization Survey for Marconi and Casavalle (INE, Ministry of the Interior)
R2.3 Young people ages 18-29 in Marconi and Casavalle who were personally attacked or threatened to the point of feeling afraid in the past 12 months. ¹³	%	10.92 ¹⁴	8.75	Crime Victimization Survey for Marconi and Casavalle (INE, Ministry of the Interior)

⁷ For observations and more details, see [Indicative Results Matrix](#).

⁸ The latest data available are being used (Crime Victimization Survey, INE-Ministry of the Interior, 2011) and will be updated when the 2016 Crime Victimization Survey becomes available.

⁹ The latest data available are being used (Gender Survey, INE, 2013), which are representative for Montevideo, and will be updated when the 2016 Crime Victimization Survey is available for Marconi and Casavalle.

¹⁰ It is estimated that there are 13,235 women ages 15 or older in the target neighborhoods; therefore, 26.4% is equivalent to 3,494 women. A 20% decrease would mean that 714 fewer women would be victimized.

¹¹ It is estimated that there are 25,950 residents older than 15 in these neighborhoods.

¹² Data used are from the Public Opinion Study on Gender and Domestic Violence (2012), which is representative for Montevideo, and will be updated when the 2016 Crime Victimization Survey is available for Marconi and Casavalle.

¹³ These neighborhoods have 11,413 young people ages 18-29, and 1,246 of them reported—as a baseline—that they were attacked.

¹⁴ The latest data available are being used (Crime Victimization Survey, INE-Ministry of the Interior, 2011), which are representative for Montevideo, and will be updated when the 2016 Crime Victimization Survey becomes available for Marconi and Casavalle.

R2.4 Young people ages 14-29 living in Marconi and Casavalle who neither study nor work.	%	38 ¹⁵	34	Crime Victimization Survey for Marconi and Casavalle (INE, Ministry of the Interior), impact evaluation
R2.5 Young people ages 14-29 living in Marconi and Casavalle who participated in the “Pelota al Medio a la Esperanza” program and have been arrested for violent crimes, to be counted as of the date they began participating and up to 12 months after they finish the program.	%	14 ¹⁶	11	Administrative records (Ministry of the Interior). ¹⁷ Impact evaluation
R2.6 Victims of violent robberies in Marconi and Casavalle who perceived that the perpetrators were minors.	%	56 ¹⁸	45	Crime Victimization Survey for Marconi and Casavalle (INE, Ministry of the Interior)
R2.7 Crime recidivism (new arrest within 12 months of finishing the program) among adult beneficiaries of the program.	%	60 ¹⁹	55	Administrative records from the Ministry of the Interior and the program for released adults
R2.8 Residents of Casavalle and Marconi who say that they use the neighborhood’s public spaces.	%	30 ²⁰	39	Crime Victimization Survey for Marconi and Casavalle (INE, Ministry of the Interior)
R2.9 Programs to combat youth violence that incorporate at least one evidence-based activity from an impact evaluation (following experimental or quasi-experimental methodology, with independent peer review), coordinated/advised by the CCAU.	Evidence-based project that derived from a published impact evaluation.	0	1	CCAU report (Ministry of the Interior)
R2.10 Programs to combat domestic violence that incorporate at least one evidence-based activity from an impact evaluation (following experimental or quasi-experimental methodology, with independent peer review), coordinated/advised by the CCAU.	Evidence-based project derived from a published impact evaluation.	0	1	CCAU report (Ministry of the Interior)

¹⁵ Latest data available from the MIDES census (2016), which will be updated with the baseline that the youth program generates.

¹⁶ Estimates based on National Rehabilitation Institute data (2016).

¹⁷ Entries can be identified in the records of suspects, and based on the National Identity Document, the number of prior record entries can be verified.

¹⁸ Estimates are based on data from the Crime Victimization Survey (INE-Ministry of the Interior, 2011), which are representative for Montevideo, and will be updated when the 2016 Crime Victimization Survey becomes available for Marconi and Casavalle.

¹⁹ Sixty percent of prisoners become repeat offenders (National Rehabilitation Institute, 2015).

²⁰ Data from the IDB-Emerging and Sustainable Cities survey (2015).

OUTPUTS

Output	Measurement unit	2016 baseline	2017	2018	2019	2020	2021	Final target	Source/Mean of verification
Component 1: Targeted policing strategies for crime prevention									
P1.1 PADO patrol strategy updated and implemented.	Document	1	1	0	1	0	1	4	Report from the National Police Director's Office
P1.2 Police officers patrolling in Montevideo's PADO areas, trained in community relations and problem-solving.	No. of police officers	0	600	250	250	0	0	1,100	Report from the National Police Director's Office
P1.3 Police officers working in Montevideo's police stations trained in POP.	No. of police officers	5	150	250	250	0	0	655	Report from trainers and Montevideo Police Department
P1.4 Community police precincts that have equipment for POP.	No. of police precincts	1	10	10	5	0	0	26	Montevideo Police Department report
P1.5 POP projects in Montevideo's police precincts, implemented.	No. of projects	5	25	50	50	50	75	255	Montevideo Police Department report
P1.6 Crime analysts working at the Crime Analysis Unit trained in POP.	No. of analysts	0	20	20	0	0	0	40	Report from trainers and Crime Analysis Unit
P1.7 PADO and POP analysis reports that use spatial crime analysis and dashboard software and techniques, submitted.	No. of reports	0	12	12	0	0	0	24	Crime Analysis Unit reports
P1.8 Police officers and prosecutors working in police precincts and in the judicial sector trained in new ways to build relationships.	No. of police officers and prosecutors	0	0	25	25	50	50	150	Report from the National Police Director's Office

Output	Measurement unit	2016 baseline	2017	2018	2019	2020	2021	Final target	Source/Mean of verification
Component 2: Comprehensive crime prevention in highly vulnerable neighborhoods									
P2.1 Young participants in the “Pelota al Medio a la Esperanza” program in Marconi and Casavalle trained in noncognitive self-regulation techniques and employment skills.	No. of young people	0	50	100	150	200	100	600	Execution unit’s program database
P2.2 Marconi and Casavalle neighbors participating in community initiatives aimed at changing norms regarding intimate partner violence, trained in techniques to raise awareness about domestic violence.	No. of neighbors	0	50	100	150	200	50	550	Program progress reports
P2.3 Released adult residents of Marconi and Casavalle, who received psychosocial support and acquired employment skills.	No. of released adults	0	20	40	40	40	20	160	Program progress reports
P2.4 Situational urban crime prevention interventions in Marconi and Casavalle, identified as potentially positive and relevant, executed effectively in order to substantially improve physical spaces.	No. of interventions	0	2	6	6	4	0	18	Program progress reports
P2.5 Intersectoral crime prevention projects agreed upon according to a protocol in Marconi and Casavalle, identified by the community as potentially positive for crime prevention, fulfilled effectively.	No. of projects	0	5	10	10	10	5	40	CCAU report

Output	Measurement unit	2016 baseline	2017	2018	2019	2020	2021	Final target	Source/Mean of verification
Component 3: Promotion of the use of scientific evidence in policy-making									
P3.1 Center for Applied Criminology of Uruguay (CCAU) established, equipped, and producing reports.	No. of CCAU	0	1	1	1	1	1	1	CCAU status report
P3.2 Analytical citizen security studies conducted and peer-reviewed.	No. of studies	0	3	5	5	7	2	22	CCAU status report
P3.3 Database of interventions with evidence of impact on crime prevention, available on the Internet.	No. of databases	0	1	0	0	0	0	1	CCAU's website, updated and operating
P3.4 Employees of prevention-related entities trained by the CCAU on evidence-based approaches.	No. of employees	0	25	50	75	75	75	300	CCAU status report
P3.5 Crime Victimization Survey of targeted neighborhoods, conducted.	No. of surveys	0	1	0	0	0	0	1	CCAU status report
P3.6 Program's midterm and final reports, prepared.	No. of reports	0	0	0	1	0	1	2	CCAU status and final reports
P3.7 Program impact evaluation prepared, with final report written, approved, and peer-reviewed.	No. of evaluations	0	0	0	0	0	1	1	CCAU report
P3.8 Sector Fund applied research projects conducted, with a working document or at least a progress or final report approved and peer-reviewed.	No. of projects	0	0	5	10	10	15	40	CCAU status report
P3.9 Employees and researchers attending foreign university courses on citizen security, certified.	No. of employees and researchers	0	10	10	15	15	20	70	CCAU status report

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country: Eastern Republic of Uruguay
Name: Comprehensive Citizen Security Program
Executing agency: Ministry of the Interior
Prepared by: David Salazar and Nadia Rauschert (FMP/CUR)

I. EXECUTIVE SUMMARY

- 1.1 This operation is an investment project in the amount of US\$8 million, of which US\$6 million corresponds to the loan. The borrower will be the Eastern Republic of Uruguay, and the executing agency will be the Ministry of the Interior, which will be responsible for administering the operation's resources and for managing the timely financing of local counterpart contributions. The Ministry of the Interior has delegated the execution of activities to the Office of the Deputy Secretary of the Interior, with support from the unit responsible for the Integrated Local Management Program for Citizen Security. The National Research and Innovation Agency (ANII), under a cooperation agreement between the parties, will co-execute one of the program components.
- 1.2 The fiduciary agreements and requirements established for this program are based on the Ministry of the Interior's background as the executing agency for loan 2770/OC-UR, which is in the final stage of execution, as well as the institutional capacity assessment report prepared in 2012 and updated in July 2016, using the ICAS methodology.

II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 2.1 The executing agency has prior experience carrying out the Integrated Local Management Program for Citizen Security, with a satisfactory fiduciary management record. In addition, the update to the institutional capacity assessment of the Ministry of the Interior revealed a satisfactory level of development in its institutional capacity and therefore a low risk level. The ANII also has experience with IDB-financed loans, and its fiduciary capacity is satisfactory.
- 2.2 The country systems, or their equivalents, that will be used for this operation are as follows:
- (i) **Budget.** Budgetary resources for this operation have been taken into account in the new Five-year Budget Law 2015-2019.
 - (ii) **Treasury.** In order to manage program resources, a special account will be opened in the name of the Ministry of the Interior at the Central Bank of Uruguay, as part of the Unified National Account.

- (iii) **Accounting and financial reporting.** The Ministry of the Interior pioneered the use of a National Accounting System known as the International Projects System, a module of Uruguay's Integrated Financial Information System (SIIF), for the previous Bank-financed operation, and it will continue to use it for this new operation.
- (iv) **External control.** This will be performed by the Audit Office of the Republic (TCR), which has Tier 1 eligibility on the Uruguay Country Office's list of eligible auditors.

III. FIDUCIARY RISK EVALUATION AND MITIGATION MEASURES

- 3.1 During the risk workshop in July 2016, when the Project Risk Management methodology was applied, no fiduciary risks were identified.

IV. CONSIDERATIONS FOR THE SPECIAL CONDITIONS

- 4.1 **Exchange rate.** To convert expenditures in local currency into U.S. dollars (currency of the operation), the exchange rate in effect on the date when the U.S. dollars are transferred by the Bank will be used. The same criteria will be used to report expenditures from the counterpart and for the recognition of expenditures.
- 4.2 **Justification of advances.** Given the country's budget regulations, which assign Bank resources to commitments in the SIIF (SIR code), as well as the Ministry of the Interior's payment process, which is relatively slow (averaging 30 days) and complex (involving various sectors), it was agreed that justification of 75% of advances would be included, in order to minimize the risk of slowing down execution of any of the components and ensure that the execution unit has no liquidity problems. The 5% decrease in the percentage agreed upon for justifying advances is basically supported by the country's budget processes inasmuch as the SIIF commits cash on hand to the commitments, and all projects executed within the central administration (such as the proposed operation) are subject to this restriction.
- 4.3 **Audited financial statements.** Annual statements are to be submitted within 120 days following the close of each fiscal year, as well as a final statement at the end, to be submitted within 120 days after the date of the final disbursement.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 5.1 The procurement policies applicable to this loan are the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-9).

A. Procurement execution

- 5.2 Before carrying out any procurement process, the executing agency will present the procurement plan to the Bank for approval, with details indicating: (i) the contracts for goods and services required to carry out the program; (ii) the proposed methods for the contracting of goods and for the selection of consultants; and (iii) the Bank's contract supervision procedures. The borrower will update the procurement plan at

least once every 12 months and based on the program's needs. Any proposed change to the procurement plan must be presented to the Bank for its approval.

5.3 The provisions applicable to the execution of procurement are:

- (i) **Procurement of works, goods, and nonconsulting services.**¹ Contracts generated and subject to international competitive bidding (ICB) will be executed using the standard bidding documents issued by the Bank. Procurement subject to national competitive bidding (NCB) will be executed using bidding documents satisfactory to the Bank. There are no plans to build works using loan proceeds.
- (ii) **Consulting firms.** These will be selected and contracted according to IDB policies. Calls for bids involving international publicity (for amounts above US\$200,000) will be subject to ex ante review.
- (iii) **Selection of individual consultants.** Pursuant to Section V of the Bank's policies set out in document GN-2350-9, use of a short list or the standard request for proposals is not required. The executing agency will follow national procedures that are complementary to those required by the Bank's policy and do not conflict with the provisions contained in that policy. However, the executing agency will ensure that timeframes are complied with and that publicity for the calls for bids is valid.
- (iv) **Retroactive financing.** The Bank may provide retroactive financing, to be paid from the loan proceeds, for eligible expenditures incurred by the borrower prior to the loan approval date for consulting services, goods, and/or nonconsulting services for up to US\$1.2 million (20% of the proposed loan amount), provided that they comply with requirements substantially analogous to those established in the loan contract. Such expenditures must have been made on or after 15 July 2016 (project profile approval date) but in no case may they include expenditures made more than 18 months prior to the loan approval date.

B. Thresholds for Uruguay (US\$000)

Works			Goods ²			Consulting services	
ICB	NCB	CP	ICB	NCB	CP	International publicity	Shortlist 100% national
≥ 3,000	250-3,000	≤ 250	≥250	50-250	≤ 50	> 200	≤ 200

C. Major procurement processes

5.4 See the [Procurement Plan](#).

¹ Document [GN-2349-9](#), paragraph 1.1: Nonconsulting services are treated as goods.

² Includes nonconsulting services.

D. Procurement supervision

- 5.5 The ex post review method, subject to modification by agreement to be reflected in the procurement plan, will be used initially. ICB and the contracting of consulting services for amounts above US\$200,000 will be reviewed on an ex ante basis.

VI. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

A. Programming and budget

- 6.1 Proper budgetary allocation within the 2015-2019 Five-year Budget will be verified and execution will be monitored to ensure that the operation is executed on schedule, as established in the annual work plan. The office of the deputy secretary will be responsible for planning and providing strategic guidelines to achieve objectives. The coordinator and the fiduciary team will develop plans based on the activities necessary to accomplish those objectives.

B. Accounting and information systems

- 6.2 International Financial Reporting Standards will be followed in preparing the financial statements. As mentioned, the executing agency will use the National Accounting System to record Bank-financed operations.

C. Disbursements and cash flow

- 6.3 To use the loan proceeds, the Ministry of the Interior will open a special account at the Central Bank of Uruguay, in the name of the program. The funds will be disbursed in the form of advances, based on cash programming for a maximum of six months.

D. Internal control and external audit

- 6.4 The program's external auditing reports and the review of procedures and disbursement requests are to be presented for each fiscal year during the disbursement period, within 120 days following the end of that period. International Auditing Standards and the guidelines issued by the Bank for those purposes are to be taken into consideration.

E. Financial supervision plan

- 6.5 Disbursement requests will be reviewed on an ex post basis, and verification will be done by the external auditor, together with the presentation of the program's annual reports.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-____/16

Uruguay. Loan ____/OC-UR to the Eastern Republic of Uruguay
Comprehensive Citizen Security Program

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 Eastern Republic of Uruguay, as Borrower, for the purpose of granting it a financing to cooperate in the execution of the Comprehensive Citizen Security Program. Such financing will be for an amount of up to US\$6,000,000 from the Ordinary Capital resources of the Bank, 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 ____ 2016)

LEG/SGO/CSC/IDBDOCS: 40682843
Pipeline No.: UR-L1112