



**Identification of
Institutional Factors in
Bank Operations:
Flexibility v. Early
Detection:
Case Studies in the Citizen
Security and Transparency
Sub-Sectors**

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**Inter-American
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Abbreviations and Acronyms

AAF	Anti-Corruption Activities Trust Fund
BID	Inter-American Development Bank, Spanish acronym
CCPS	Civic Coexistence and Public Safety
CIP	Corporate Input Product operation
CS	Citizen Security
CSO	Civil Society Organization
EA	Executing Agency
EVP	Executive Vice-Presidency
IADB	Inter-American Development Bank
GCI-9	Ninth General Capital Increase of IADB Resources
ICF	Institutional Capacity and Finance Sector, IADB Department
ICS	Institutional Capacity of the State Division, IADB Division
LAC	Latin America and the Caribbean
LRR	Loan Results Report
MAFI	Matrix of Institutional Factors, Spanish acronym
OPG	Operational Guidelines
PBL	Policy-based loan
PCR	Project Completion Report
PMR	Project Monitoring Report
PPMR	Project Progress Monitoring Report
PO	Plan of Operations, submitted for approval by the Bank's Executive Board of Directors
POA	Annual Plan of Operations
RM	Reform and Modernization of the State Sector
SPD	Strategic Planning and Development Effectiveness, IDB Unit
TAC	Transparency and Anti-Corruption
TC	Technical Cooperation (grant-based)
TCP	Technical Cooperation (grant-based)
VPC	Vice-Presidency of Countries
VPS	Vice-Presidency of Sectors
XPMR	Exit Project Monitoring Report

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EXECUTIVE SUMMARY

The study seeks to survey the prevalence of institutional factors posing risks or vulnerabilities to selected Bank operations and the time at, and mechanisms through which these are addressed. As a first study, it focuses on two sub-sectors of the Reform and Modernization of the State sector: Citizen Security and Transparency and Anti-Corruption. The study unfolds in three segments: 1) to identify institutional factors and their impact on sub-sector operations through document review, interviews and other Bank information sources; 2) pointing to existing Bank approaches of addressing institutional factors and suggesting new considerations for their dealing in light of the analysis of survey results, as might be the false dichotomy of early identification v. flexibility; and 3) to cross-check the study's findings on the presence of institutional factors with those yielded by the Matrix of Institutional Factors (MAFI) developed for ICF/ICS, as to assess its effectiveness in factor identification.

The study opens with a conceptual framework contextualizing institutional factors in operational activities, especially concerning their identification and associated mitigation actions. Institutional factors are understood as factors posing *risks and/or vulnerabilities* to project execution. Based on the findings of other identification studies (“Map of Institutional Factors in Bank Operations” (RG-N3368)) – that institutional factors tend to be formally under-identified in the beginning stages of Bank operations, only to be recognized gradually through its implementation; as well as the commonly reported practice of “leaving room” or “not tying one’s hands” by omitting potential risks from project design – the study is conceptually framed in terms of desired operational *flexibility* and the issue of *early factor detection* that may serve to develop tactics for its resolution. In brief, specialists designing or implementing operations in the sub-sectors analyzed report a strong preference for allowing flexibility in their operations. For several team leaders and members, this flexibility translated into not detailing certain institutional concerns in the project design, lest the Bank’s approval process would exclude it or lock operational resources to attend to a dynamic factor in a statically-defined fashion.

These preferences, as revealed by reported actions through operational document review and interviews of design and implementing teams, pose a dichotomy of sorts between the choices of *early detection* and *flexibility*. The reasoning setting up this perceived choice set to tend to institutional factors is clear. Interestingly, an in-depth survey of four operations in two key Reform and Modernization of the State subsectors shows: 1) *neither* early detection as dichotomous against *flexibility* (both dimensions can be incorporated in an operation); nor 2) a benefit of choosing flexibility over early detection (in fact, not detecting institutional factors early is bound to create a vulnerable operation subject to delays and implementation challenges), just as eliminating flexibility from the operation’s design might lead to pre-defined action sets that are incongruent with an evolving reality through the time of the project’s implementation.

The main conclusion of the study is that both flexibility and implementation are important elements in project design, at least in the sub-sectors studied. What is the right balance? This is a question to which the scope of the study cannot answer quantitatively, but is proposed as a key question that may lead to fruitful lines of research. Inferring from the analysis of the selected operations and the difficulties these faced imposed by institutional factors, early formal and routine detection is important. By the same

token, flexibility measures have to be thought of, as several specialists and administrators suggest, from a dynamic perspective: country-sector realities change, be it due to political or economic cycles, changes in agenda priorities, external shocks or revealed unknown factors. Creating statically-defined mitigation actions may not be helpful, however not considering them would be a rash venture to increased operational risk. The study concludes dispelling the false dichotomy of flexibility versus early detection, and underscoring the importance of early detection of institutional factors as an important step in improved operational performance.

With an eye to future research and operational activities, the paper posits that perhaps the question to be considered more specifically is one about *the types of institutional factors being faced by a Bank project*. Namely, 1) be it those with strong temporal fluctuations (e.g., changes in leadership); or 2) those that are more static in nature (e.g., lack of civil service career track, or of efficient information exchange organizational mechanisms). Such understanding would allow for the development of practices and instruments that address these institutional challenges and lead to a better operational performance – in line with the Bank’s IX General Capital Increase objectives. Instruments, such as the Matrix of Institutional Factors (MAFI) and other information repositories may facilitate this task. For indeed, in the cross-check of its factor identification findings, this study found the MAFI as a robust methodology for factor identification in Bank operations vis-à-vis the study’s own survey findings.

1. Introduction¹

1.1. Overview

Per the objectives set forth in the Business Plan for the corporate input (CIP) operation BK-C1025, this study is aimed at better understanding the presence and dynamics of institutional factors as they adversely affect project execution in selected Modernization of the State sector operations. An in-depth survey of operational documents, Bank information on country and sector portfolios, and interviews with the specialists designing and executing the operations and with Bank administrators stands to provide a comprehensive picture of institutional dynamics in the selected Citizen Security and Anti-Corruption & Transparency sub-sectors. The ultimate aim of this task is to unveil the institutional dynamics salient to the effective design and execution of Bank operations and reflect upon the modalities by which the Bank has dealt with them and which it might benefit from considering. It does so from the proposed framework of project flexibility *versus* early detection of institutional factors, a dichotomy that sources from the reported and revealed preferences of specialists in project design and implementation.

The organizational objective of this study is to create new knowledge and corroborate old knowledge on institutional factors in Bank operations that may serve the dialogue, conceptualization, and design of preventative and corrective responses to these factors; as may be early detection and effective mitigation tools. Additionally, in the broader context of this sub-product, the identification process of institutional factors in the comprehensive review of the operation's evaluations and supplemental operational documents, the findings of interviews with project team leaders and members, and of other sector or country portfolio information generated by the Bank, may serve as a validation exercise of the institutional factor identification capacity of the Matrix for Institutional Factors (MAFI).

From an organizational perspective, and in line with the Sector's Strategy², the knowledge-creation and validation of an existing tool for the identification of institutional factors in recently concluded Bank operations (MAFI)³ of this study may serve the ICF/ICS Division in at least two concrete ways: 1) to provide ICS an operational pictures as concerns institutional factor identification through the validation of an existing tool and the surfacing of current mechanisms and dynamics that may assist project development guidelines for the sector; and 2) to support the Division's efforts in exploring the type of analyses that could and might be conducted about sector-based operations to generate lessons learned and best practices⁴ on institutional factors in its own and other sectors. This is of particular importance

¹ I would like to thank the most beneficial and formative input this paper received from a number of people, principally of which is the project supervisor, Jorge E. Srur (ICF/ICS), as well as the feedback, clarifications, insights and resources, all provided in spite of their busy schedules, including Joel Korn (ICF/ICS) and Karelia Villa (ICF/ICS), without which this paper would not be possible – all errors on this paper remaining are attributable to me. I would also like to acknowledge the MAFI team, Fernando Straface and Silvana Kostenbaum, for the substantive discussions on institutional factors and their identification in a development borrowing intervention context.

² "Sector Strategy for Institutions for Growth and Social Welfare Profile" (GN-2587), 14/OCT/2010. Institutional Capacity and Finance Department (ICF), Inter-American Development Bank.

³ Straface, F., S. Kostenbaum, L. García, with M. Reyero y Aranda. "Mapa de Factores Institucionales en las Operaciones del Banco, versión revisada y actualizada." (RG-3368) July 2010. Washington, D.C.: IDB. IDBDOCS#: 3523-9370.

⁴ For example, at the moment ICS and KNL are collaborating on input from ICS/MAFI for the *Lessons in Action* platform (lessons learned in mitigation), see *IDB-DP-160*. Similarly, this survey could provide some conceptual foundations for lessons learned

given the Division's current efforts to assess the demand and internal capacity to provide support services to other areas of the Bank on institutional capacity strengthening, in line with the Department's formulation of the "Sector Strategy for Institutions for Growth and Social Welfare" (GN-2587). The Strategy sources from the areas of action identified by the Board of Governors in their IX Capital Increase declaration. The objective of the Strategy is spelled out as follows:

*"The objective of this Strategy is to improve the effectiveness of the Bank in strengthening the institutional basis for development in the LAC region by focusing its resources in areas of high value added and comparative advantage."*⁵

The study analyzes two (2) operations from two (2) priority thematic groups from the Institutional Capacity of the State Division: the Citizen Security and Transparency & Anti-Corruption sub-sectors. Operations from these priority thematic groups have been designated "niches of excellence" so designated by the ICF Department given their strategic importance in development outcomes in the Latin American and Caribbean region, and inserted in the context of the IX General Capital Increase priorities (GCI-9).⁶ The thematic groups are thus designated niches of excellence by the ICF Department, as areas in which to build expertise and create a comparative advantage vis-à-vis other development borrowing institutions.⁷

2. Conceptual Framework

2.1. Flexibility v. Early Detection, A Trade-off?

The study is framed contextualizing institutional factors in operational activities as concerns factor identification and related mitigation actions. For the purposes of this study, institutional factors are defined as factors of an institutional or structural nature posing *risks and/or vulnerabilities* to an operation's successful execution. Institutional factors –ranging from organizational and technical capacity, to political economy incentives, to exogenous shocks— have been widely recognized as impacting project implementation adversely, often causing substantive and costly operational delays for IDB's projects.⁸ In a systematized survey of institutional factors in Bank Operations, the document "Map of Institutional Factors in Bank Operations," operation RG-N3368, finds that specialists across sectors and regions consistently under-identify institutional factors at the design stages of their operations, just

and best practice in addressing institutional factors in Bank operations. Per the definition of "lessons learned" established by the Bank, a lesson learned is a general hypothesis based on the findings of one or more operations' evaluation, but which is presumed to apply as a general principle; whereas a best practice is defined as an effective practice sourcing from several corroborating operations.

Lessons Learned Retrieval Network, Bank Manuals: <http://manuals/go.cfm?do=Glossary.ShowTerm&gid=309>.

⁵ "Sector Strategy for Institutions for Growth and Social Welfare Profile" (GN-2587). Institutional Capacity and Finance Department (ICF). 14/OCT/2010. Italics in the original.

⁶ "Institutional Capacity and Finance Sector. Second Strategic Planning Retreat, March 29-30, 2010".

⁷ Reyna, J.J. Baseline Report for ICF Niches of Excellence, 2009.

⁸ External Assessment Group (GAE) Report. CS-3737-5, 04/FEB/2008; Rubino-Halman, S., L. Marmolejo, A. Garlati. "Análisis de la Presencia de Componentes de Fortalecimiento Institucional y de Uso de Tecnologías de Información y Comunicación en las operaciones del Banco". ICF/ICS. MARCH/2010. IADB; and Arisi, Diego. 2009. "Algunas Reflexiones sobre las condicionantes institucionales más comunes identificadas a partir del seguimiento y monitoreo de operaciones en el campo." Presented in an ICF/ICS Division discussion regarding operational "binding constraints" faced by IDB sepecialists.

to gradually identify them concretely in their mid-evaluations and fully recognize their impact on the operation's performance at the conclusion of the operation.⁹ A validation workshop for the Matrix of Institutional Factors (MAFI) identifying these factors stirred a discussion of whether this early omission was a function of: 1) a political economy incentive to maximize the probability of operation approval by softening or de-emphasizing the actual challenges of operation implementation; and/or 2) the specialists did not identify the institutional factors at the design given that these did not appear evident to them because of their lack of institutional expertise, or the lack of project preparation time for an adequate assessment. Contingent upon what the underlying reason for omission, the Bank will take different lines of action suitable to addressing the cause. If it is the former, a mechanism for truth inducement needs to be developed (and need not be modifying exigencies on specialists, but rather Bank procedural practices). If it is the latter, the Bank must equip itself with the technical capacity in institutional analysis to train or provide a service to the employees that design and execute operations. And so, the question of institutional factor early identification is central to this study as it aims to contribute to the process of accumulating knowledge that may better inform the Bank's line of actions on this front.

The question of flexibility as a sought-after characteristic in operation design and implementation came about in the early stages of this study, as interviewees consistently mentioned the importance of flexibility in their operations' design and implementation. Specialists would speak about the necessity of "discretion" to adjust to changing circumstances, "to leave room" or "to not tie ones' hands" by identifying a factor for which the Bank's approval process would require an accompanying reported mitigation action, even when the factor's actual impact on the project was uncertain (especially if highly variable depending on other factors that would be known in the medium-term future, as are changes in government with a different policy agenda. Creating statically-defined mitigation action may be off-target).

Comparing this preference with the lack of early detection of institutional factors suggested to me that perhaps there was a perceived trade-off between these two elements. Empirically there seem to be a correspondence between early identification (at the DESIGN stage) and the discourse of flexibility. Interestingly, all of the operations have different levels of DESIGN factor identification, whereas all of the specialists suggested that *flexibility* was an important characteristic in handling institutional factors. Theoretically the inclusion of early detection does not preclude flexibility measures, and empirically, in the handful of operations analyzed in this study, this lack of causal correspondence between early detection and flexibility held – thus the conceptual framework of this paper was conceived.

The study's primary objective is thus to uncover institutional factors in the Citizen Security and Transparency & Anti-Corruption sectors to be better informed of the type of institutional factors that afflict this types of operations, but also to observe more closely the preliminary observed correspondence between early detection and flexibility and establish their (lack of) dichotomous nature.

⁹ Straface, F., S. Kostenbaum, L. García, with M. Reyero y Aranda. "Mapa de Factores Institucionales en las Operaciones del Banco, versión revisada y actualizada." (RG-3368) July 2010. Washington, D.C.: IDB. IDBDOCS#: 3523-9370.

Additionally, this line of work has been informed from the tendencies of early under-identification of institutional factors in Bank operations. The Matrix for Institutional Factors (MAFI) was the primary source of systematic evidence for a wide array of Bank operations. Nevertheless, it has behooved many specialists to establish whether the factor identification that the Matrix collects through the analysis of operational documents approximates known-but-omitted factors (omitted most probably due to the political economy incentive explained above, and/or because of the cursory attention to mid-evaluation reports (e.g., PPMR) and risk identification sections given to these procedures).¹⁰ To gauge to what extent the MAFI factor identification is comprehensive, this study will take advantage of the in-depth review of the operations' relevant project documents¹¹ and interviews to cross-check its factor identification with the MAFI's methodology's yield.

3. Methodological Approaches of the Study

3.1. Operation Selection

This section will detail the methodological approaches of the study, from the scope of material review and interview selection, to the operation selection process. This section seeks to give utmost clarity regarding the selection and analytical decisions made throughout this study, outlining their limitations and complementarities. The first sub-section will cover the operation criteria used for the selection of the four operations here considered – a criteria based firmly on operational parameters and on the importance of the programmatic and sectoral projects for the ICF Department. The second subsection will outline the scope of operation material review –operational documents, portfolio information, interviews, and MAFI cross-check— a breadth of approaches selected given their individual limitations and their group complementarity.

3.1.1. Operational Parameters

As a direct continuation of ICF/ICS' identification effort of institutional factors that pose risks or vulnerabilities to Bank operations,¹² this study takes operational parameters as the first step of the selection of projects to be analyzed. Above all, these operational parameters were adopted as the basis for operation selection given their conceptual groundings, which capture a substantial volume of the Bank's mainstay interventions (loans and technical cooperations). The operational parameters are established in the Matrix for Institutional Factors methodology and its subsequent reports¹³. These are here outlined, also noting the minor adjustments of two criteria for the purposes of this study:¹⁴

¹⁰ As suggested by some project specialists in the Validation Workshop of the MAFI. 30/APRIL/2010.

¹¹ Including Plan of Operations, mid-term evaluations such as the Project Progress Monitoring Reports (PPMR) and Loan Results Review (LRR), final reports including not only the Project Completion Report (PCR) but any commissioned study or evaluation of the operation, memoranda, aide-memoires or other relevant correspondence. See section 3.2. Materials for Analysis and Approaches.

¹² Straface, F., S. Kostenbaum, L. García, with M. Reyero y Aranda. "Mapa de Factores Institucionales en las Operaciones del Banco, versión revisada y actualizada." (RG-3368) July 2010. Washington, D.C.: IDB. IDBDOCS#: 3523-9370.

¹³ Ibid., and CIP operation BK-C1025.

¹⁴ 1) Amount of operation, where the technical cooperation is trivially shy of the \$500,000 MAFI threshold, and 2) Conclusion timeframe of the operation. This study considers active (non-concluded disbursement) operation given the interest to capture current dynamics, especially in the context of new measurement instruments, such as the Loan Results Review (LRR).

- (i) Public sector operation.** A public sector operation or an operation executed by a public sector agency, as parameter that captures operations that not only are the greatest in volume in the sectoral Vice-Presidency of the Bank (VPS), but reflect a portfolio strategically defined by the governments of borrowing member countries and the Bank, and which are ultimately the mainstay of the development bank activities in their charters.
- (ii) Loan or grant technical interventions.** A loan or grant intervention, whether it may be an investment loan, a policy-based loan (PBL) or a technical cooperation. Loan interventions are the mainstay intervention in the business model of the Bank¹⁵. They thus reflect the largest intervention amount of Bank operations. Grant-based technical cooperation¹⁶, on the other hand, represent a significant volume of Bank operations that often support loan operations or increase the institutional capacity of the borrowing member country.¹⁷
- (iii) Floor amounts for interventions.** For loan operations, operations that are equal to or exceed \$1,000,000 USD; and/or for a technical cooperation in the amount equal to or exceeding of \$500,000 USD. These amounts were determined as substantive levels of investment for each type of intervention. For this study, a technical cooperation approximating the amount of \$500,000 USD is selected. Although it does not reach the US\$0.5-million threshold (on account of detailed budget that did not round out), for operational and conceptual purposes it is a sum (\$466,300 USD) that approximates it very closely and which reflects a significant technical cooperation intervention in the Reform and Modernization of the State sector.
- (iv) Conclusion timeframe of the operation.** An operation of either type that concluded between 01/01/2007 and 30/06/2010. This window of time allows for a focalized survey of the institutional factors that have most recently impacted Bank operations, especially *a posteriori* the Bank's organizational re-alignment into a sector-based matrix system. For this study two of the operations will have concluded in this time period, reflecting operations that were designed and approved earlier in the decade (early and mid-2000's), as well as two operations currently on-going, which reflect more recent dynamics of design (at the re-organizational transition period and post- Bank re-alignment) and implementation (post Bank re-alignment). In fact, another benefit of looking at on-going operations is that, beyond capturing the dynamic nature of institutional factors in particular contexts (country

¹⁵ Other types of intervention available to borrowing member countries include guarantees and investments, alongside with internal Bank operations for internal knowledge and input products "Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank" (GN-2349-4). Amended Version. November 2005. Inter-American Development Bank.

¹⁶ Hereafter, "technical cooperation." Loan-based technical cooperation hereafter "loan operation".

¹⁷ A technical cooperation may also serve as an instrument by which the Bank may advance agreed upon development goals with and in the least economically developed borrowing member countries, or support operations in those with insufficient financial markets. Inter-American Development Bank>Projects: <http://www.iadb.org/en/projects/projects,1229.html>.

and/or sector), such analysis also allows for capturing the dynamic and changing nature of Bank processes in identifying and recording these type of factors in its project cycle. A concrete example is the current change in compulsory mid-term evaluation of project executions, including the new Loan Results Report (LRR) for one of the selected operations.¹⁸

(v) Evaluation Documentation. Operations that have initial and intermediate evaluation documentation of institutional factors for all operations, and final evaluations for concluded operations. All documentation must be in a standard format and be official. For this reason the initial evaluation document is the Plan of Operations (PO) approved by the Bank's Board of Executive Directors for execution, and the required executions monitoring reports established for all operations by the Strategic Planning and Development Effectiveness (SPD) Unit for all operations – currently the Project Progress Monitoring Report (PPMR); and the newly compulsory Loan Results Review (LRR) required by the Executive Vice-Presidency (EVP) for all loan operations. The final evaluation report is the Project Completion Report (PCR) also required by SPD of all operation loan operations.¹⁹

Finally, on account of leading this project under its thematic concerns, the operations surveyed are those in the Reform and Modernization of the State sub-sectors,²⁰ and led by the Institutional Capacity of the State Division (ICF/ICS). This decision has two supporting foundations: 1) The sector of the operations is one most familiar to the institutional expert and the ICS team commissioning this report. In this sense, the review of operations is the most robust as the analysis of the material is made not only with a deep understanding of institutional dynamics and mechanisms, but also with a field understanding of modernization and reform sectors.²¹ 2) As a nascent project in the systematized and methodologically-based identification of institutional factors, and in the context of the Bank's new organizational alignment, the ICS Division starts the analysis within its primary sector of operation (Reform and Modernization of the State) given not only its expertise in institutional analysis and field operations, but also the fact that the leadership of these project resides in ICS. This quality allows for direct and easy access to Modernization of the State specialists at times of inquiry. In brief, starting an exploration where one's knowledge is strongest, and unbundling what is learnt –including learning from mistakes— in home terrain was deemed a most appropriate approach.

¹⁸ Others are on their way, including the replacement of the PPMR for the PMR and the PCR for the XPMR.

¹⁹ This has been an optional final evaluation for technical cooperation. Team leaders decide whether to write or commission the PCR evaluation or another final evaluation for the technical cooperation (TC), if any. This decision is usually tied to the objective, scope, activities and amount of the TC.

²⁰ Note that per the Bank's taxonomy of sector and sub-sector classification, Citizen Security is classified as pertaining to the Social Investment sector (IC-SEC), a classification that reflects a traditional component of citizen security. Nevertheless, since its re-alignment the Bank, under the leadership of the Institutional Capacity of the State Division has expanded the conception of citizen security and defined the operational guidelines for program design and execution in this area. See GN-2535.

²¹ Project Leader and supervisor, Jorge E. Srur, Modernization of the State Senior Specialist, with operational and public administration expertise in citizen security. Guidance in sub-sector strategy and operation selection by the Citizen Security and Transparency & Anti-Corruption thematic group coordinators and Modernization of the State experts (in citizen security with public administration experience and in both cases with operational program-implementation experience). Additionally, the team members in administrator and fiduciary capacities possess a different, albeit, critically important perspective of the project design and implementation. See Annex I. Interviewees.

3.1.2. Priority Sub-Sectors: Citizen Security and Transparency & Anti-Corruption²²

Per the introduction, operations within the Citizen Security (CS) and Transparency and Anti-Corruption (TAC) sub-sectors were selected for this study given the strategic priority of the sub-sectors in advancing development goals agreed upon by the Bank and its member countries. As such, these sub-sectors, or ICF “Niches of Excellence,”²³ are areas of action directly linked with the Bank’s strategy and alignments. Concretely, Citizen Security is a strategic area for reduction of poverty and inequality – a GCI-9 priority, while Transparency & Anti-Corruption is a core area of the “Agenda for a Better Bank” also established in the IX General Capital Increase of Bank Resources report.²⁴

3.1.2.1. Citizen Security

In light of the pervasiveness and significant detriment to social and economic welfare posed by violence in Latin America and the Caribbean –the LAC region is the region with the second highest homicide rate in the world²⁵ -- the IADB spearheaded collaboration with its member countries in this area in 1998. Ten years later, and based on its operational experience, developments in the field, inflow of new statistics, expert workshops and a dialogue with civil society, the Bank created a new framework and operational guidelines for program design and implementation for Civic Coexistence and Public Safety (CCPS), operations²⁶. Moving away from the original citizen security paradigm in which the State restores public order, the new framework circumscribes Bank activities in this area from a prevention and mitigation perspective; with a focus on public policy planning, prevention activities, and activities related to criminal and alternative justice and rehabilitation. Moreover, these activities are envisioned and designed to be co-executed by the different relevant agencies of the government, the relevant private actors, and civil society.

An operation with such broad multi-sector scope will be complex by nature, considering that coordination will be required between education, public health, urban planning, justice, police, sports and recreation, statistics, treasury, economy and civil society entities. Such an operation will, by necessity, have a longer-term completion horizon as it deals with areas that require institutional change and imply individual behavioral change. Nevertheless, and as underscored by the findings in the field, it is an area that also requires “early victories,” and thus this type of operation will also require flexibility

²² Registries is another strategic priority area, not only for ICF Department but also for the Vice-Presidency of Sectors, given their importance to address Millennium Development Goals. See: Marcel, M. and M. Harbitz. “We Must Guarantee Right to Identity.” *The Miami Herald*. 10.07.2010: <http://www.miamiherald.com/2010/10/07/1861874/we-must-guarantee-right-to-identity.html#storylink=fbuser>, and Marcel, M. and M. Harbitz. “El ciudadano invisible: una oportunidad perdida para promover el desarrollo.” *El Universal de México*. 07/OCT/2010: <http://www.eluniversal.com.mx/editoriales/50151.html>. Operations in this area were not analyzed given that it is only at present that operations exclusively dealing with civil registry are being formulated by the Bank (in the past, civil registry was only a component of operations dealing with social investment or modernization of the State.

²³ Because of their strategic importance in development outcomes, these, amongst other subsectors were prioritized and assigned the denomination “Niches of Excellence”. Reyna, J.J. 2009. “Baseline Report for ICF Niches of Excellence.”

²⁴ “Report on the Ninth General Increase in the Resources of the Inter-American Development Bank” (AB-2764). May 2010. Inter-American Development Bank.

²⁵ Following Southern and West Africa, with 28 deaths by homicide by 100,000 population. “Crime, Violence, and Development: Trends, Costs, and Policy Options in the Caribbean” (Report No. 37820). March 2007. Joint report by the United Nations Office on Drugs and Crime (UNODC) and World Bank.

²⁶ “Operational Guidelines for Program Design and Execution in the Area of Civic Coexistence and Public Safety.” GN-2535. 06/OCT/2009. Inter-American Development Bank.²⁶

and strategic prioritization.²⁷ In light of the characteristics of this subsector and the Bank's framework for effectively addressing the issue-areas within it, an in-depth survey of these priority operations is a rich exercise that may bring to bear important identification issues and mechanisms to address institutional factors.

3.1.2.2. Transparency and Anti-Corruption (TAC)

In line with the international community and the development of strategic and measurable operational activities in the Transparency and Anti-Corruption area, the Bank continues to integrate TAC as an organizational priority. Most recently, a new anti-corruption framework was developed as a component of the "Better Bank Agenda" in the Bank's IX General Capital Increase objectives to increase operational performance.²⁸ At the time of its realignment, the Bank established a unit that would most effectively handle institutional integrity matters in Bank operations.²⁹ Moving forward in its commitment to Transparency and Anti-Corruption, the Bank is not only including stronger transparency in its operations, but is also consolidating a portfolio of TAC-focused operations within ICS. In 2007 the Bank signed an agreement with the Government of Norway to establish the Anti-Corruption Activities Trust Fund (AAF), in an amount of USD\$5-million disburseable over three years.³⁰ All IDB member countries are eligible for the funding, with a USD\$1.5-million cap for any one project allocation.³¹

Though TAC is an area in which the expert community is abreast of the developments in measurable operational approaches, for those outside this expert community TAC is best characterized as an institutional aspiration, rather than an area of work with tangible outputs and structured implementation mechanisms (e.g., greater access to information and corruption mitigation actions). It is thus understandable that countries be hesitant of accruing debt for this type of project. For this reason, ICS continues to leverage its resources, with an Action Plan to support countries in the fight against corruption and for the promotion of transparency (PAACT).³² PAACT has focused on a strategy of creating capacity, coordination mechanisms and intensive internal and external dialogue to bring transparency and anti-corruption in more tangible output and operational terms to its clients and sector counterparts. In this fashion, ICS has achieved collaboration across sectors and is preparing for the disbursement of its first loan TAC operation.³³

²⁷ Ibid. and interview with Thematic Group Coordinator, Gustavo Beliz, Modernization of the State Lead Specialist (ICF/ICS).

²⁸ "Report on the Ninth General Increase in the Resources of the Inter-American Development Bank" (AB-2764). May 2010. Inter-American Development Bank.

²⁹ With the Office of Institutional Integrity (OII).

³⁰ The AAF has been renewed by the Government of Norway. Interview with Transparency and Anti-Corruption Thematic Coordinator, Paloma Baena, Modernization of the State Specialist (ICF/ICS).

³¹ Several operations across the region with TAC components have been co-financed by this trust fund, including operations in Chile, El Salvador, Mexico, Belize (in design), and, importantly, Bolivia, for the cap amount – a loan operation exclusively TAC. For a list of Bank TAC operations (from all funding sources), see: <http://www.iadb.org/en/projects/advanced-search,1301.html?query=&topic=TRAN&country=>.

³² "Plan de Acción para apoyar a los países en el combate a la corrupción y el foment de la transparencia" (RG-K1108). 2008. Inter-American Development Bank.

³³ Interview with Transparency and Anti-Corruption Thematic Coordinator, Paloma Baena, Modernization of the State Specialist (ICF/ICS).

The new TAC, focused on more tangible and evaluable outputs renders the identification of intervening institutional factors³⁴ a more straightforward affair, and an equally valuable exercise given the institutional priority of the issue for the Bank. This said, and on a methodological regarding factor identification in these operations, it is noted that TAC operation will inherently be defined by the institutional factor is tending to –a deficiency or sub-optimality in transparency. This factor itself will not be considered in the identification of institutional factors in the survey of its two operations.

3.1.2.3. Operation Selection from Each Sub-Sector

The consultancy requested that the Thematic Group Coordinators overseeing the development of the strategy in each of these areas provide a pool of operations to analyze based on the operational criteria outlined above and the importance of the operation in terms of institutional factors impacting it. Specifically, the Thematic Coordinators were asked to provide a pool of operations that “are of importance from an institutional analysis perspective from any of the following dimensions:

- i) Operations that confronted numerous institutional obstacles (government &/or administration), whether these obstacles were surmounted or not. In fact, the operation could have been cancelled; or
- ii) An operation that, in spite of the high variance in profiles in the sub-sector, exhibits some common institutional obstacles with other operations in this same sub-sector; or
- iii) An operation that could be considered ‘representative’ along another sub-sector dimension (i.e., one that either represents the current approach of the subfield in technical cooperation or loans); or
- iv) An operation that the thematic group coordinator finds otherwise salient along these institutional lines.”

For the Citizen Security (CS) sub-sector an on-going (TT-L1003) and a concluded (NIO168) operation designed in the new CCPS operational guidelines and framework were selected. For the Transparency and Anti-Corruption (TAC) sub-sector one operation selected represented an operation of a significant sum for an RM project impacted heavily by an institutional factor (CH0170). The second was an operation of a much lesser sum, but nevertheless in a sector traditionally associated with limited transparency (extractive oil sector), not so impacted (EC-T1185).

Table 1 shows the final selection of operations yielded by the selection process and criteria therewith described in this section:

³⁴ Or making any type of analysis or evaluation on mechanisms of the operation.

Table 1. Final Selection of Operations to be Surveyed

In-Depth RM Sector Study: Operation Selection								
Operations to analyze			Status	Start	End	Type	Total Loan Amount(1)	IDB Amount
Thematic Group	Citizen Security							
1	NI0168	Programa de seguridad ciudadana	concluded (Phase I)	2004	2010	LON	\$ 12,800,000	\$ 7,210,000
2	TT-L1003	Citizen Security Program	on-going	2007	on-going	LON	\$ 35,000,000	\$ 24,500,000
Thematic Group	Transparency & Anti-Corruption							
1	CH0170	Modernización de la Oficina de Contraloría General	concluded	2004	2007	LON	\$ 25,000,000	\$ 15,000,000
5	EC-T1185	Transparencia en los recursos de las industrias extractivas en Ecuador	activities concluded as of 10/2010, final evaluation in progress	2009	2010	TCP	\$ 465,350	\$ 444,700

These four operations represent a collective financial intervention by the Bank of almost \$50-million USD (\$47,154,700 USD) and gross close to \$75-million US dollars (\$73,265,350 USD) in country projects at the time of approval by the Bank’s Board of Executive Directors.

3.2. Materials for Analysis & Approaches

This in-depth study of institutional factors in Bank operations takes a multi-thronged approach in the analysis of operation materials, including: operational documentation (i.e., design and execution documents, including evaluation documents as defined previously, Bank and counterpart memoranda and aide-memoires, linkage of operations to Bank strategies, financial distribution, related studies and information on procured services); Bank portfolio information (of each country and the sector), interviews with operation team leaders and team members and relevant administrators (e.g., thematic group coordinators in ICS or Country Office administrators involved in the operation), and a final cross-check against MAFI-identified institutional factors.

The process of data collection and review was structured the same across operations. For document and portfolio recompilation this is straightforward: Documents reviewed include all relevant documents available though the IDB’s centralized operational information.³⁵ The portfolio and segmented data on the operations source from a string query of the operational criteria delineated in section 3.1.1 of the the Bank’s centralized operational data system COGNOS. For the study’s interviews, an outline of interview sample points was shared with the interviewees in the Operation Work Plan circulated to each one of them before the interview (see Annex II for the sample interview points). All available project team members were selected for an interview.³⁶ Team members were identified, first, as reported by the Bank’s OPUS information system. Additional interviewees were identified by the current project team leader, another team member, or by the thematic group coordinator. These additional interviewees were considered key actors in the operation (often former team leaders, members, Bank administrators or, in one instance, the government counterpart). For all four operations the project team leaders were ICF/ICS specialists, with a team comprised of fiduciary specialists, lawyer(s) and

³⁵ OPS/OPS Analyzer: <http://ops>

³⁶ Lack of availability was most often due to specialists no longer working for the Bank, although on a couple of occasions the specialists or staff were not interviewed due to special assignments that precluded their possibility to participate.

support staff, as well as by other sectoral specialists and/or country (VPC) specialists (see Annex I for interviewee information).

Lastly, and as a cross-verification measure that may serve as a matching exercise to validate the findings on institutional factors gathered by the MAFI process, the factors found by each are compared and contrasted against those found in this survey. In addition to the in-depth operation review performed by this consultancy, the operations for this study (CH0170, EC-T1185, NI0168 and TT-L1003) were also analyzed using the MAFI methodology by the MAFI analyst for the purpose of this cross-check. This activity was performed strictly independent from the document review of this consultancy, and its results were only considered after the document review performed by this consultancy had finalized, as to ensure the independence in institutional factor identification by the survey and the objectivity of the inferences that could be made regarding the MAFI identification process.

4. Institutional Factors in Bank Operations in the RM Sector

4.1. Survey Results

4.1.1. Operational information

Information sourcing from the IDB COGNOS centralized information system reflects data on total approved amounts by the IDB's Board of Executive Directors, including cancellation and adjustment amounts; operation approval and disbursement dates, as well as expected expiration disbursement dates.^{37,38} Additionally, loan totals, averages, percentages, as well as time periods for disbursement were calculated based on this, and complementary data sourcing from the Bank's OPUS system on country co-financing amounts. The first class of data observed are those relating to total investment amounts.

Per this data, these four interventions reflect Citizen Security and Transparency & Anti-Corruption investments of about \$75-million US dollars (\$73,265,350 USD) – Table 2. The order magnitude difference between loan amounts (CH0170, NI0168 & TT-L1003) and the technical cooperation (EC-T1185) is not unusual. Loans tend to be much larger investments as the Bank's main (credit-based) financing instrument, this is especially true given the limited grant funds available and their traditional operational scope.³⁹

Table 2. Financing Amount Information for the Selected Operations⁴⁰

³⁷ And as relevant, ratification dates, for countries requiring Congressional ratification of IDB loans.

³⁸ The output is derived from a string query requesting these variables from the COGNOS system (including the loan (LMS Operations Balance) and project (POIS) subsystems. Other retrieved information is classification profile information referred to in this section and available in the same output format as the above tables in Annex III.

³⁹ This technical cooperation was financed, in full, through the Norwegian Anti-Corruption Activities Fund (AAF).

⁴⁰ This table show key information rows highlighted in yellow and red. All information is derived from the IDB COGNOS information system. All rows marked with an asterisk (*) were calculated for the purposes of this study based on the source data referenced (IDB COGNOS, LMS and POIS systems).

Project Number	OPUS Project Name (English)	Total Original Amount (including country counterpart, per Plan of Operations)*	Original Approved Amount (IDB)	Original Country Counterpart (including other bilateral and multi-lateral funding)*	Change in country counterpart contribution*	Total Loan Amount after Country Counterpart Adjustments (n.b., not including IDB cancelled amount)*	IDB Cancelled Amount	Total Planned IDB Disbursement Amount*	Percent of the Approved Amount not Disbursed*	Total Actual IDB Disbursed to Date (NOV2010)
CH0170	Modernization Office Comptroller General	25,000,000	\$ 15,000,000.00	10,000,000	0	25,000,000	\$ (209,012.97)	\$ 15,209,012.97	1.39%	\$ 14,790,987.03
EC-T1185	Transparency in the Extractive Industry in Ecuador	466,300	\$ 444,700.00	21,600	0	466,300	\$ -	\$ 444,700.00	0.00%	\$ 147,000.00
NI0168	Citizenship Security Program	21,210,000	\$ 7,210,000.00	14,000,000	(8,410,000)	12,800,000	\$ -	\$ 7,210,000.00	1.73%	\$ 7,085,262.69
TT-L1003	Citizen Security Program	35,000,000	\$ 24,500,000.00	10,500,000	0	35,000,000	\$ -	\$ 24,500,000.00	0.00%	\$ 3,702,938.51
		\$ 81,676,300.00	\$47,154,700.00	\$ 34,521,600.00	\$ (8,410,000.00)	\$ 73,266,300.00	\$(209,012.97)	\$47,363,712.97		\$25,726,188.23

From this table several figures stand out. Firstly, the change in counterpart funding for the Citizen Security operation in Nicaragua. This type of counterpart funding cancellation is unusual, and was an allocation to be made, but ultimately cancelled, by the Korean Government cooperation. More typical appears to be the percent of total amount disbursed (98.61% - CH0170 and 98.27% for NI0168).⁴¹

Table 3 shows key operational dates as well as the expected and actual periods of approval, disbursement and close for the selected operations. Key operational dates include loan approval signature date, original and actual first disbursement date and expected and actual expiration disbursement dates. Time periods include time, in months and years, between expected and actual dates of first and last disbursements, as well as total length of the operation. Although at first glance the average amount of time for disbursements and delays (4.71, and 0.79 years respectively) may appear to be a summary statistic of interest, looking at the range in each of these time periods (1.33 to 7.75 years for concluded operations, and -1.75 to 3.58 years in delays) is far more informative.

Table 3. Key Dates and Time Periods for the Selected Operations

Project Number	Approval Date	Sign Date	Ratification Date	First Eligible Date	Last Authorization Date	Months between approval date & 1st eligible date*	First Disbursement Date	Original Disbursement Expiration Date	Current Disbursement Expiration Date	No. of months difference between original disbursement expiration date and current disbursement expiration date*	Years difference between original disbursement expiration date and current disbursement expiration date*	Months elapsed from first disbursement date to date (NOV2010)*	Months left for current disbursement expiration date*	Total month disbursements*	Total year disbursement*
CH0170	20-Feb-02	12-Mar-02	12-Mar-02	10-Sep-02	28-May-10	7	25-Sep-02	12-Sep-06	30-Apr-10	43	3.58	93	0	93	7.75
EC-T1185	17-Feb-09	1-May-09		3-Jun-09	16-Apr-10	4	20-Jul-09	1-Aug-12	1-Aug-12	0	-1.75	16	21	16	1.33
NI0168	24-Nov-04	15-Feb-05	15-Aug-05	25-Jan-06	8-Nov-10	14	10-Feb-06	15-Aug-09	15-Dec-10	16	1.33	45	1	46	3.83
TT-L1003	11-Mar-08	5-Apr-08		12-May-08	8-Nov-10	2	29-May-08	5-Apr-14	5-Apr-14	0	0.00	30	41	71	5.92
						AVERAGE	6.75			14.75	0.79			56.5	4.71
						RANGE	2 to 14			0 to 43	0 to 3.58				1.33 to 7.75

The sample of operations (n=4) is too small to make any inferences about Bank operations disbursement and rate of completion patterns from this data. This is especially the case given the substantive differences in scope and execution requirements between technical cooperations (TCPs) and loans; these substantive differences that may also be reflected in the sharp differences between these type of

⁴¹ Note that the amount disbursed for EC-T1185 operation appeared to not be updated in the OPUS system, reflecting only a 33% of the loan amount at a time when the operation was concluding activities.

operations in this operational data, and *may or may not* be an area that the Bank finds appropriate to explore given its operational objectives. For the purposes of this paper, this data serves to provide background information of the operation that enriches the understanding of the operational realities faced throughout its execution. For instance, disbursement and/or cancellation of a significant portion of the loan or significant extensions in the life of the project may indicate operational challenges related to institutional factors such as institutional coordination challenges, executing capacity and lack of program priority. Empirically, general operational reviews have found institutional factors to be a primary culprit of these operational delays in the region.⁴²

4.1.2. Document Review & Interviews

The study proceeds in reviewing all relevant documents associated with each operation posted on the Bank's operations system (OPS) whilst concurrently conducting interviews of operation team members. In the document review, information regarding the objectives and general design framework of the operation is collected from the Plan of Operations and OPUS system in way of providing the sector context of the operation, and complementing the above data. Subsequently, mid-evaluation documents for the operation (PPMR or LRR), final evaluation documents (PCR and related reports), minutes, memoranda and e-mail exchanges documenting operational events are reviewed.⁴³ The review of documents focused on identifying institutional factors identified as either potential risks or vulnerabilities to the project (in the design stage) or actual risks and/or vulnerabilities affecting the projection (during implementation and after the conclusion of the project).

The in-depth document review gave its attention to the entirety of the documents, and not only those sections explicitly identified "challenges," "risks," or "institutional components." Although these sections in fact contained the most information regarding institutional factors that may affect the operation, the background and context sections of the documents, as well as some component development description also afforded the ability to identify institutional factors that might potentially affect the operation's execution. Similarly, the interviews were focused on context of the operation, identification of risks, challenges and institutional components at play in the operation's execution – as well as mitigation actions associated with them.

The following section provides an operation summary and a list of institutional factors identified by means of this document review (in black) and interviews (in blue and italics).⁴⁴

4.1.2.1. EC-T1185: Transparency in the Extractive Oil Industry

Summary. This operation was designed with the aim of increasing transparency in the mineral resources extractive oil sector in Ecuador. The Executing Agency (EA) for this operation is the Foundation for the Advancement of Reforms and Opportunities – Grupo FARO, an established and independent civil society

⁴² External Assessment Group (GAE) Report. CS-3737-5, 04/FEB/2008 and Arisi, Diego. 2009. "Algunas Reflexiones sobre las condicionantes institucionales más comunes identificadas a partir del seguimiento y monitoreo de operaciones en el campo." Presented in an ICF/ICS Division discussion regarding operational "binding constraints" faced by IDB sepecialists.

⁴³ As may be, new actor agreements, changes in organization of the EA that affect the execution of the project, modifications to operation components. Terms of Reference for operation consultants were not reviewed, although if any consultancy delivered a product related to the assessment of the operation or its field context, this document was reviewed.

⁴⁴ Note that some factors were identified in both interviews and document review. These factors appear, as others sourcing from document review, in black font without distinction from the latter sub-group.

organization with an existing relationship with the Bank,⁴⁵ and other government counterparts and private sector actors relevant to this operation. In effect, the EA was considered effective and low-risk. The objective of the operation was to create a more transparent institutional framework with concrete and measurable advances in the transparency and access to public information for the oil sector. Per the operation’s targets, the objective could be so measured by providing more transparent information to at least 900 people in at least six (6) public institutions, corporate employees and sector organizations, and in civil society. The operation’s design included disbursement “triggers”⁴⁶: that is to say, a stipulation that disbursements would be conditional on the achievement of a pre-identified activity necessary to fulfill the operation’s objectives.⁴⁷

The operation was formulated in the context of the new organic transparency law recently approved in the country,⁴⁸ and in the context of “social inclusion” objective set forth in Ecuador’s Country Strategy with the Bank (GN-2490). The operation was approved in an amount of US\$466,300, whence US\$444,700 were financed by the IDB’s Anticorruption Activities Trust Fund (AAF) and US\$21,600 by the local counterpart. Operation activities commenced on 17/FEB/2008, with an expected last disbursement date of August 2012. As of November 2010, the operation was concluding its execution activities and awaiting final review.⁴⁹

Table 4. Institutional Factors Identified in Operation EC-T1185 from Document Review & Interviews

EC-T1185					
	<i>Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Related-mitigation actions, if any</i>	<i>Addressed?</i>
1	Lack of natural coordination mechanisms between actors	Traditionally, there has not been much linkage of civil society’s information access demands and the private sector business practices.	DESIGN	The EA will select actors carefully (especially in the private sector). Importantly, it will use its established relationships with civil society, government and private sector actors to foster and advance collaboration.	Yes, Grupo Faro successfully engaged the parties.
2	Lack of political support for binding public policies	Lack of consideration of public policy proposals (by the government and the sector) to achieve a more transparent and less-corruption prone extractive sector.	DES/IMPL	Political actors are included in the socialization and validation processes during the drafting stage of public policy proposals, as to ensure that these are considered. Importantly, the Ministry of Industry will sign a cooperation agreement with private sector actors and civil society.	The signed agreement was an important step in stimulating cooperation.
3	Divergent interests of the private sector	Lack of adoption of the transparency standards.	DES/IMPL	1) Careful selection of actors during this sector pilot, 2) linkage between standards and information systems; 3) Institution and civil-society training during the pilot such that they continue to demand the information.	Although obligatory reporting was not successful, voluntary reporting was espoused by several private sector actors for selected information.

Few institutional factors were identified in the documents review for this operation. The institutional factors identified as potential risks and vulnerabilities in this operation were the lack of coordination mechanisms between actors, political support for binding public policies and the divergent interests of the private sector. The first of these factors was effectively mitigated by the EA; the latter two appeared throughout the operation’s implementation in lesser measure. In particular, although the binding public policy the operation sought was not achieved, the operation did achieve to promote transparency

⁴⁵ In the execution of operation ATN/KM-9962-EC – Citizen Action and Transparency (EC-T1059).

⁴⁶ “hitos gatilladores”

⁴⁷ Additionally there was a collaboration agreement signed between the parties (the Ministry of Industry for Non-Renewable Resources, selected companies and civil society).

⁴⁸ Organic Law for Access and Transparency of Public Information (LOTAIP).

⁴⁹ Interview, Transparency Thematic Group Coordinator, Paloma Baena, Modernization of the State Specialist (ICF/ICS).

standards, stimulate demand for access to information by the public, and secured a commitment by the private sector reflected in voluntary reporting.

At present reporting standards are voluntary but increasingly standard-based, and the dialogue between the sector, government and civil society continues. In the interviews, specialists attribute this space for dialogue and further collaboration directly to the technical cooperation, emphasizing the importance of accompaniment and on-going support (mission, headquarters and field) with the operation's stakeholder parties.

4.1.2.2. CH-0170 NI-0168: Modernization of the Comptroller's Office

Summary. CH-0170 is an operation aimed at comprehensively modernizing Chile's federal Comptroller's Office, the institution itself serving as the project's executing agency and formally, the Comptroller's Office of the Republic (CGR). Per the Plan of Operation, the objective of this operation was to "contribute to the improvement of the CGR's management systems and operative efficiency and effectiveness in its role as the superior control organism of the Administration, such that the effected improvements enable the institution to participate and contribute to the modernization of the [Chilean] State." To this end, three areas of modernization activities were delineated as follows: 1) strategic development of the organization (including strategic development of organizational processes and adoption of innovative fiscal practices); 2) improvement in information technology and processes; and 3) human resource management. The operation comes in the context of the Chile's objective in its Country Strategy with the Bank to advance in the "modernization of the State's administration" Furthermore, the operation is consistent and supported the then-current Bank strategy for transparency and good governance (GN-2117-2).⁵⁰

The project was developed in very close collaboration with the CGR, with the institution providing detailed objectives and plans of action for each of the components, and "in strict relation to the mission and competencies of the Executing Agency".⁵¹ The project arrived in the Bank's pipeline in September 2001. The loan was approved in February 2002, with a first eligible disbursement seven months later (09/2002); finally concluding on April 2010 – after a three-year extension.

⁵⁰ "Strengthening a Systemic Framework Against Corruption for the Inter-American Development Bank" (GN-2117-2). February 2001. Inter-American Development Bank.

⁵¹ "Modernization of the Comptroller's Office" Loan Proposal (PR-2653), 26/JANUARY/2002. Inter-American Development Bank. And Interview with Modernization of the State Lead Specialist leading the operation.

Table 5. Institutional Factors Identified in Operation CH-0170 from Document Review & Interviews

CH-0170					
Institutional factors	Specific risk or vulnerability	Time	Related-mitigation actions, if any	Addressed?	
1	Lack of change management structures & resistance to change culture.	Resistance to adopt new and more modern administration procedures and processes. There was a highly foreseeable resistance to a project that called for a comprehensive transformation of the institution; an institution known for its hierarchical structure, rigidity and formalism (the institution had never experienced a significant change in its administration for 75 years, since its establishment in 1927). Further, in the municipalities, there was no political will to create a work relationship with the federally-based CGR to advance in the development of municipal financial information systems that would enable an effective integration with the federal financial information system (SIGFE). Lastly, the Executive did not want to pursue the integration of internal audits.	DES/FINAL	It was thought the change-unfriendly environment would be mitigated through the leadership and commitment from the mid-ranks and high authorities of the CGR during the design of the operation.	The project did not account for the lack of change management practices in the institution. The Bank based collaboration with CGR for project implementation on the support for the project lent by the Comptroller involved in the design and negotiation of the loan - a Comptroller who concluded his tenure at the institution soon after loan disbursement began.
2	Lack of leadership and/or political support in the agency for the program	The Comptroller instated at the head of the CGR did not see the necessity for change in the practices of the institution. Given the highly hierarchical structure of the institution, lack of support at the head of the institution for the program implied the program's stagnation until the arrival of a new leadership.	IMPL/FINAL		This factor dictated a 5-year stagnation in project implementation, until a new and more modernizing-friendly leadership arrived in the institution in 2007 (the one arriving in 2002 did not prioritize the program and had no previous experience with international institutions). The final review states that the project needed to be followed closely, with transparency and an ICS specialist in the project. Up until 2006 the project was led by fiduciary specialists in the field. It notes that it is not within these specialists' responsibilities, or scope to provide technical or strategic support to a modernization of the state project, and thus this area of the project was not effectively addressed.
3	Lack of infrastructure for more efficient processes.	The Accounting area of the CGR (versus the Auditing and Legal areas) lacks a common information system, systematized flows and procedures for information management.	FINAL	Investment in infrastructure for information systems.	Lack of this system rendered this area of the institution as the least achieving in terms of efficiency and effectiveness modernization. Loan resources covered the generation of other systems for information management that had a basic information system supporting its design (as in Legal and Auditing areas).
4	Bank evaluation did not account for the adequate mitigation of institutional risks.	Ineffective reaction of the Bank to the program's detraction between 2002 and 2007. Per the final report, "the Bank endeavored to evaluate the progress and fulfillment of the formal aspects of the operation" rather than addressing the stagnation of the program from its root cause. Additionally, the project lacked adequate evaluation measures for the actual components implemented of the project.	FINAL		Redesign of the evaluation model for the project by external consultancy.
5	Cumbersome and inefficient organizational processes	While the operational part of the CGR was in charge of the execution of the project's components, it was not involved in any decisions regarding the design and implementation of the same. In fact, the EA was subordinated de facto by a decision-making Council comprised by the Comptroller and CGR Division Chiefs. Decisions were made by consensus (with up to 9 people in the Council at a time), a decision-making procedure that led to a "very slow" execution of the program.	FINAL	Leadership was assumed for the project (and thus decisions assumed to be positive regarding the execution of the program), given that the project was designed and negotiated in the context of a very supportive, modernization-oriented and proactive Comptroller.	This decision-making process was maintained and caused significant execution delays.
6	Lack of strategic vision for program implementation for the Executing Agency.	The Comptroller's Office lacked a strategic vision for program implementation for the five-year tenure of Comptroller Sciolla (2002-2007).	INTVW	No, unforeseen.	After the change of the second Comptroller in the institution from the start of the program --a Comptroller who did not prioritize the operation-- the Bank, through its Country Office staff, proactively worked on renewing a collaborative relationship with the institution (2007). This allowed the program to be executed with leadership from the head of the institution.

Resistance to change is the most prominent institutional dynamic noted in this operation, with specific institutional factors underpinning it, including: lack of change management mechanisms, cumbersome decision-making processes and the lack of infrastructure for more efficient processes (Table 5). These factors were exacerbated by the lack of strong leadership and strategic vision for project implementation. Although the EA had the capacity to execute, a lacking strategic vision in the context of a vertical institution stagnated the operation. Moreover, the Bank appears to have not adequately assessed these potential risks and vulnerabilities in a more comprehensive fashion, as to design mitigating actions. The impact of these factors on the operation was thus significant. Although there were changes to the evaluation instrument of this operation according to an external review of the

operation. Specialists partaking in the operation underscored the importance of being flexible in formal and dialogue components with the EA in the field, as to accommodate the client's needs and thus create a collaborative relationship that will benefit the operation's overall performance in the end.

It should be noted that this loan was negotiated at a time when Chile was renewing its borrowing relationship with the Bank. The operation was consonant with a principal objective set forth in Chile's country strategy with the Bank, the "modernization of the State's administration." Nevertheless, couple of interviewees noted that this thorough modernization effort in the well-known rigid institution might have exemplified an "adverse selection" problem⁵². The operation was nevertheless negotiated as a way to bolster Chile's renewed borrowing portfolio with the Bank for an institution with prominence in the Republic and that was seeking funds to modernize itself from an internal perspective via infrastructure investment and the reform of the institution's retirement system.

In the end, the Government counterpart and Bank specialists, uphold that the operation achieved its goal of providing a value-added (e.g., aside from infrastructure, the creation of systematized information, adoption of some organization processes, and institutional external guidance on institutional challenges by the Bank for the CGR) and was thus of net benefit to the institution, even if arriving thereto in a sinuous fashion. A lesson for the Bank to keep in future interventions, would advise a then-Government counterpart and today Bank administrator— when dealing with a country with high liquidity in the LAC region like Chile, the Bank assumes that the high liquidity should imply less operational conditions on an intervention (whilst low liquidity implies more). The fact is: when a country has higher liquidity levels, this country is better able to comply with more and stricter conditions that will take it to a new level of institutional development, and this is precisely what the Bank ought to seek out in providing a value-added in institutional capacity building and modernization efforts.

4.1.2.3. NI0168: Citizen Security Program

Summary. This intervention is a multi-faceted loan intervention to establish a comprehensive citizen security program in Nicaragua. The executing agency is the Country's Ministry of Interior,⁵³ but given the program's multi-faceted nature –with social, police, community and education sector components— many government actors at different levels of government take a critical role in loan implementation. Per the Plan of Operation objectives, the loan seeks to: a) raise the effectiveness of institutions in charge of citizen security; b) increase the level of social integration amongst youth; and c) reinforce municipal and community responsibility.

To achieve this goal and based on a the OPG-CCPS preventative approach, the program concentrates its efforts on four key activities, 1) Institutional strengthening, especially of the Ministry of Interior (MIGOB); 2) The integration and strengthening of juvenile violence prevention services using an inter-sector care and prevention model at the municipal level; 3) The expansion and consolidation of community policing program initiative; and 4) The establishment of a public information program to

⁵² More typical modernization of the State programs included programs for the strengthening of civil society and inclusion of indigenous people's interest in the government agenda; improving civil service career mechanisms, and pension system reform.

⁵³ Ministerio de Gobernación (MIGOB), first through its General Directorate for Citizen Security, and then, when the latter was subsumed under the National Police as a Directorate, through the National Police.

encourage inclusion of the topic in the country's social agenda, with the purpose of educating the public of the of values and standards in a community in achieving social harmony.

The Bank's strategy with Nicaragua (GN-2230-1) identifies three key activities for Bank operations in the country, including promoting economic growth, improving governance, and increasing the productivity of the very poor. The proposed operation is linked directly to the second Strategy's objective of improving governance, but also indirectly to promoting economic growth by ameliorating the climate for investments and productive activity. To attain its declared objective, the operation set to establish an institutional framework for citizen security in the country that included public policy proposals to strengthen all the entities involved.

The project entered the project pipeline in May 2002 (05/07/2002) and was approved two-and-a-half years later on 11/24/2004. Disbursement for the operation was expected to conclude in December 2010, with a Phase II Operation in Citizen Security currently in the identification and negotiation phase. The operation was approved for US\$12,800,000 (originally \$21.1-million), whence \$7.21-million from the IDB and \$5.59-million from the counterpart. The operation lost \$8.41-million which would have been coming from the Korean Government cooperation, nevertheless changes in program operational priorities and considerations by the Government of South Korea resulted in this divestment.⁵⁴ The withdrawal of this significant amount of money meant the adjustment of some of the loan's activities, especially in the institutional strengthening component, resulting in curtailed activities.

Table 6. Institutional Factors Identified in Operation NI-0168 from Document Review & Interviews

NI-0168				
<i>Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Related-mitigation actions, if any</i>	<i>Addressed?</i>
1 Under-developed legal framework and undermined respect for the rule of law.	A context of undermined respect for the rule of law given the historic context imposed in the 1970s between civil society and the institution. That historical context also fostered neglect of the development of the country's legal framework.	DESIGN	.	
2 Lack of policy direction or mandate.	Lack of comprehensive public policy that assigns concrete roles and defines a clear course of action leaves weaknesses in leadership, management, planning and evaluation of a citizen security program.	DESIGN		
3 Political and electoral cycles	Lack of public policies or mandates for citizen security detract from political leadership of this complex project, a risk that is magnified by the time-horizon of the electoral and political cycle (tenure for decision-making authorities ending in the short-term). Additionally, political cycles led some government officials to use some of the operation's program as a selling point for electoral support.	DES/IMPL	To minimized this risk, active participation by local communities (including municipalities and civil society entities) is a cornerstone of the project.	The use of the project's components for electoral benefit was addressed by close and on-going follow-up with the Country Office and the EA.

⁵⁴ In 2005, external counterpart funds were cancelled by the Economic Development Corporation Fund (Bank of Korea). The bi-lateral agreement between the country and the South Korean cooperation apparently had apparently not committed its funds exclusively to this activity.

4	Lack of technical and organizational capacity.	The General Directorate for Citizen Security (DGSC), as a new entity, requires technical support for increased institutional capacity. Also, institutions are not familiar with topic concepts, nor are they familiar with M+E procedures.	DES/IMPL	In its training and direction the General Directorate (DGSC) outlined the need to be alert of potential duplications and capitalize on each agency's comparative advantage in producing their outputs.	After a study conducted on the EA's technical and coordination capacity (a study show co-executor complaints, delays & contracts w/o related products), it was decided to have this Directorate subsumed under the National Police (PN), a much stronger, established and neutral institutional actor (now as Directorate for Citizen Security). The PN is the new EA. Nevertheless, variance is observed across institutional capacity of different agencies. Concepts were slowing introduced and implied a timeframe of 1.5 years for all the project components to be understood and agreed upon with executing stakeholders. M+E was brought into the project.
5	Lack of organizational infrastructure/mechanisms for information dissemination.	Accurate information needs to be generated regarding youth risk and its relationship with violence, as this is often connected with lack of education.	DES/IMPL		By co-executors initiative in the youth component. In collaboration with the community, the Ministry of Education, Culture and Sport (MECD) capitalized on the discovered fact that youth are motivated to attend schools with sports facilities, and thus build on this knowledge for project implementation. Nevertheless, more dissemination of the effectiveness of this kind of strategy is needed.
6	Lack of physical structure for the institution	The Social Crime Prevention Committees (CSPD) need physical infrastructure improvements at the local level to operate effectively, with particular attention to Women's Commissariats.	DES/IMPL		
7	Lack of management capacity and coordination.	Lack of training and coordination inhibit the provision of prevention services addressing domestic violence. Lack of coordination between EA and Treasury for loan disbursements.	IMPLEM		Domestic violence is pointed to as the issue with least advancement in the concluding phases of this operation.
8	Lack of institutional support	Changes in priorities in some co-executing agencies do not contribute to program objectives.	IMPLEM	Draft POA joint with co-executors to arrive at a consensus in the establishment of priorities.	
9	Lack of coordination mechanisms	Existing CPSD's coordination mechanisms need to be enhanced at a local level in order to implement the components of the loan requiring active local participation.	IMPL/FINAL	The program has a component to build the necessary institutional framework in terms of internal procedures, staff training and installation of an IT system. Also, Bank monitoring and supervision will allow for the identification and inclusion of organizational experiences learnt in the process. Additionally MIGOB received support from other institutions for the program in its design stages, and the National Committee on Peaceful Coexistence and Citizen Security (CNSCS) provides an inter-agency coordination platform. This platform is considered key for the success of the program, as it will be used to coordinate between the executive, other branches of government and civil society.	Given the withdrawal of the Korean cooperation funding, the institutional capacity component of this operation was weakened. Nevertheless the National Police as EA and the CNSCS proved to be important established institutions in moving the project forward (<i>interviews</i>).
10	Institutional uncertainty and lack of political leadership	The innovative nature and scope of the project (with broad areas of action), create uncertainties over expected results, especially given the project's longer-than-average execution period for projects in the country. Political leadership is thus not a strong component in this project.	IMPL/FINAL	The innovative nature of the project is taken into account in its design, and thus it includes a number of mechanisms to mitigate this risk. These include very close Monitoring and Evaluation as to obtain lessons learned and make adjustments to the program whilst it is in progress; close IDB supervision through the Country Office and through annual administration missions; discussion and drafting of annual work plans by the Bank and the EA; and an external audit and monitoring with baseline from field reports.	Delays in the approval of the "Loan Agreement" between Bank and the Treasury (and thus delays in the ratification by the Congress). On this account the program was in the Bank's pipeline for 2.5 years before approval in 2004. Thereafter, changes in co-executing ministries created a disjunction between activities and plan objectives (see below).
11	Lack of civil service career track leads to discretionary and disjointed coordination and high rotation.	The lack of a civil service career track in the country is a major obstacle for project implementation as heads of Ministries and units within these are often politically appointed without any technical knowledge of the subject matter. This leads to uninformed decisions, mostly based on political kinship (e.g., procured consultancies). Additionally, the high rotation in leadership of the EA steals away continuity in project implementation, causing significant delays due to the frequent and delayed transitions in leadership.	INTVW	Close and on-going follow-up with executing agency (missions, field and headquarters).	Whilst the on-going follow-up of the operation helped it achieved its goal, this is a systemic issue that needs to be addressed more directly.

12 Institutional rivalry affected collaboration	Institutional rivalry amongst the National Police and the DSSG, but also of other security-related entities (e.g., the penitentiary system), where a real concern for this project's execution. Other co-executed agencies also concerned that the National policy was over-stepping its mandate by being the principal executor of a program with many non-violence control & management elements.	INTVW	Study to consider moving the EA title to the National Police, while it simultaneously subsumes this unit into its organizational structure. Local dialogue.	Re-assign EA title to national police (reputable actor).
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Nicaragua’s Citizen Security Program exhibited the most institutional factors posing a risk or vulnerability to the operation (a total of twelve). The identification of these factors did not necessarily imply a more difficult or less successful operation vis-à-vis the other selected operations. In fact, the early detection of many of the intervening institutional factors provided the necessary space to formulate mitigation measures to address them and design project components mindful of them.

Per Table 6, some of the identified institutional factors may appear to be duplicated, such as the “lack of technical and coordination capacity”. Although similar, these factors are nevertheless outlined individually because they are identified in relation to different co-executing agencies (or their subunits) *and* have a distinct impact on project implementation. For example, several factors, such as “political appointment and electoral cycles,” “lack of policy direction or mandate,” and “institutional uncertainty” are all risks or vulnerabilities that impact the project in reduced political support; two of which are less volatile. Indeed, this reduced political support can be portrayed as one risk factor itself, however, the identification of its multiplicity of sources and other differential, factor-specific impacts, is necessary in order to understand its compounded entrenchment.

The program’s broad multi-sectoral scope was certainly a characteristic of the operation that created uncertainty. In this operation the uncertainty was further fueled by an uneven executing capacity across co-executor agencies,⁵⁵ high rotation of leadership roles, discretionary decision-making, and by institutional rivalry. Although at first the operation team was not certain of the effectiveness of reassigning the EA responsibilities to the National Police, in the end this proved to be a key move in moving the operation forward after a two-year halt-and-go rhythm. Followed by consultation with stakeholders and a study of the merits of the proposed change, this transfer in EA assignment gave the project the project a firm leadership and a greater sense of ownership (although institutional rivalry was not assuaged in some fronts, nor was the lack of technical capacity), and it was

Although the program faced many challenges, many of them were known *ex-ante*, allowing for the formulation of mitigation activities to address them, as well as for a space of reflection over lessons learned. Beyond formal mitigation activities incorporated in the design of the operation, specialists reported close and on-going field follow-up as a key operational activity in ensuring project continuity and effective implementation. At the conclusion of the project, specialists esteemed the project was able to establish an inter-institutional working modality in the country on the citizen security area; as well as draw lessons learned to inform the second phase of the operation. This was especially the case as concerns the on-going establishment of a monitoring process, the systematize introduction of

⁵⁵ The pilot covered 15 territories and relied on seven (7) external co-executors and six (6) internal co-executors. As main Executing Agency, only the capacity of the Ministry of Interior and the National Police was assessed.

subject-matter concepts and definitions, and of data collection that may serve as a baseline for activity design. A crime and violence observatory is projected as a main activity of the Phase II of this operation.

4.1.2.4. TT-L1003: Citizen Security Programme.

Summary. As in the case of Nicaragua’s NI-0168 operation, and following the Bank’s operating guidelines for civic co-existence and public safety⁵⁶, this intervention is also to be understood as a multi-faceted loan intervention to establish a comprehensive country citizen security program with pilot operations in selected communities in the twin islands of Trinidad & Tobago. The executing agency is the Country’s Ministry of National Security (MNP), with varied other agencies and civil society groups co-executing. The program aims to create an integrated national crime attention and prevention strategy. The operation approaches the citizen security problem in Trinidad & Tobago by supporting a pilot-stage program to address the most proximal risk factors of crime and violence (e.g., firearms, unsafe neighborhoods, violent personal behavior) in order to reduce them, whilst leveraging resources to promote prevention.

Concretely, the core activities of the program are: 1) institutional strengthening and sector capacity-building at the Ministry of National Security; 2) creating pilot programs for youth development; 3) promoting domestic violence prevention; 4) strengthening community policing; 5) seeking efficient and effective media management for citizen and agency information; 6) creating community mobilization around the attenuation of violence and promoting its prevention; and 7) creating mechanisms for youth offenders transformation.,

The Bank’s Country Strategy with Trinidad & Tobago directly mentions the necessity to develop a citizen security program, on the basis of recent evidence showing violence slowing economic growth and impeding social development. The loan was approved on 11/March/2008 and was first disbursed in May 2008. The loan was approved for US\$35-million, whence \$24.5-million come from IDB Ordinary Capital Fund, and \$10.5-million from the local counterpart.

Table 7. Institutional Factors Identified in Operation TT-L1003 from Document Review & Interviews

TT-L1003					
	<i>Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Related-mitigation actions, if any</i>	<i>Addressed?</i>
1	Lack of infrastructure (equipment, data collection capacity)	Data quality, relevance and even formatting inconsistent or low. Some data not available electronically.	DESIGN		Additional documentation commenting on this factor is not as of yet available.
2	Community discontent with the project (perceived as political arbitrage opportunity)	The program was perceived as "a last-ditch effort to secure votes for the upcoming national elections in communities which have been ignored for the past few years". Thus community members resisted mobilization, as they perceived that efforts to mobilize were electorally-linked. Additionally, the community was concerned about the reputational social costs of collaboration (e.g., fear of victimization by being labeled an 'informant').	DESIGN	For the EA (MNS), to reach out to NGOs who already have a relationship with the community, to mobilize consultations, based on those local-trust relationships	

⁵⁶ “Operational Guidelines for Program Design and Execution in the Area of Civic Coexistence and Public Safety.” GN-2535. 06/OCT/2009. Inter-American Development Bank.

3	Lack of institutional actors/institutional vacuum	Difficulty identifying community-serving organizations (NGOs) with capacity and reputability to facilitate and mobilize community consultations and implement project components. Scant presence of several co-executing agency local representatives (e.g., local governance structure in some localities, as a mayor); as well as differing community organization in Tobago v. Trinidad localities.	DES/IMPL	Continue seeking out NGO partners in communities.	
4	Problems with inter-agency coordination	Known vulnerability at design stage. Lack of a relationship between central agencies and civil society (never collaborated before). Institutional strengthening component not designed with coordination with the crime analysis unit within the Police Department, though data on crime and violence is an essential component for successful measurement of project impact and project re-design. Moreover, at least five analytic units within the Ministry of National Security produce their own crime analyses. Poor timeliness of response across agencies. It is believed that there is a perception of competition across co-executing units that is culprit for the lack of coordination and collaboration.	DES/IMPL	To discuss and develop a Memo of Understanding to allow for cooperation (with partner ministries). Distribute a collaboration matrix to CSP Steering Committee members as to identify programs and projects associated with community action with defined roles. Possibly restructure data component, in the meantime, on force account, the EA specialists are assessing the quality of crime and violence data to move forward with the operation.	
5	Inefficient organizational mechanisms and lack of capacity	Project execution plan (PEP) and operations manual not finalized 18 months after the commencement of project activities. Additionally, procurement delays due to unfamiliarity with the Bank's procurement standards and the 'ceiling'-based national procurement system creating significant delays.	IMPL	Review carefully the scope of the projects taking into consideration the design document, and classifying components as consulting or non-consulting services to facilitate procurement flows.	It was agreed that the PEP and operations manual should have been a pre-condition for disbursement. At time of 18-month evaluation, these were required from the EA.
6	Budgetary issues & lack of strategic alignment and/or correspondence between program and resource allocation.	Project activities are not coordinated with the larger police reform funded with local resources.	IMPL	Foster dialogue with the Police Department and including coordination mitigation activities (as outlined above).	Re-design of project components.
7	Organizational changes impact the continuity of the project	The Bank organizational realignment took place as the project was beginning implementation. Change in procedures, in measurement focus (evaluability), Bank sector unit handling the implementation of the project (from a SPH specialist to an ICS specialist with a logic), HQ versus field supervision, all have caused further delays on account of new evaluations, redesign of large components of the operation, establishing field relationships, and so on.	IMPL		Per the LRR, the Bank should have been more cognizant of change/transition operational needs at the time of its organizational realignment, for example, by establishing mechanisms to ensure continuity.
8	Institutional uncertainty	The broad multi-sector scope of the project, coupled with the EA lack of experience working with a whole class of co-executing entities (e.g., NGOs) and the lack of a governance structure at the local level (e.g., mayors in some localities), create uncertainty for lender and borrower of how effectively the program will implement. Moreover, in the community the multiple delays the projects has faced, and rotation of EA personnel reporting to the field, is contributing to a lowered enthusiasm in the communities.	IMPL	Be open to lessons learned and adjust components in the measure that these lessons learned suggest. Continue giving close follow-up as to continue promoting not only project advancement but also continuity in co-executing entities relationships.	
9	Importation of solutions with disregard to the country-context.	The operation seemed to follow very closely the structure of a Citizen Security program designed for another country. Because the roots of violence in both countries are dissimilar, program components were not always designed to address the root causes of violence in Trinidad & Tobago.	IMPL		This concern has been widely observed by team members and mentioned in the LRR. At this stage of implementation, and based on exploring mismatching components between the current program design and the country's needs, redesign of components is underway. Lessons learnt are also being gathered, leaving operational space for modifications as the program continues unfolding.

This operation was also found to have multiple institutional factors affecting it. Early identified institutional factors seem to have lacked effective mitigation actions. Furthermore, factor identification during mid-term evaluation (via the LRR) would uncover many more institutional factors adversely affecting the operation. Of significance, the operation has been affected by a coordination problem across agencies, lack of capacity and inefficient, abstruse organizational mechanisms and the misfit of program design components and the country's reality. On the one hand, the lack of coordination or organizational efficiency and capacity on the part of the co-executors has posed a significant problem in matters as procedural as procurement (an extension is already expected necessary for the program, with only 20% of funds disbursed at almost the three year mark for a 5-year program),⁵⁷ and as field-based as local-level engagement of the EA with civil society.

On the other, the operation seemed to be based on other Citizen Security activities implemented in the Caribbean region⁵⁸ without consideration to the heterogeneity of causes for crime and violence in the region. For instance, crime in Guyana is importantly linked to a drug trafficking concerned not germane to the twin islands as a primary cause of crime and violence. Whereas for Jamaica, violence has been linked to political unrest, food insecurity and also a trafficking concern.⁵⁹ In contrast, Trinidad and Tobago's crime and violence phenomenon is most closely linked to economic stagnation and thus economic opportunity – a root cause not addressed by components designed for the realities of other countries. In fact, even within its national context, the islands of Trinidad and Tobago have different local organizational modalities between the islands, a distinction that should be considered in designing the components for each pilot locality depending on which island it is to be executed in. Lack of this consideration has already created implementation differences in the local-level that could have been foreseen.

Finally, beyond institutional factors sourcing from the country-sector context, this operation was particularly affected by the Bank's organizational re-alignment which not only demanded more evaluability of the project (a perspective lacking in its design), but also because the re-alignment lacked a transition protocol. TT-L1003 was particularly affected given the substantial change in project team composition and team leadership, as well as in procedural guidelines and requirements. Moreover, specialists pointed to a corporate internal pressure by the Vice-Presidency of Countries to expand the Bank's portfolio in the Caribbean region by formulating considerably larger projects even though the borrowing country may be lacking in delivery capacity for such significant and multi-faceted operations. In the context of the organizational re-alignment of the Bank, which disrupted the continuity the project, specialists consider it might have been preferable to take a 'phases' approach to the loan from a performance perspective, as the operation is considered over-budgeted. Specialists report that internal corporate incentives all but discarded this approach.

⁵⁷ Interviews with procurement specialists team members. Additionally, the mid-term loan review (LRR) does not as of yet show any advancement in indicator objectives. However, it is unclear whether this is due to the

⁵⁸ Guyana, Jamaica, Suriname and Nicaragua.

⁵⁹ Interviews with Citizen Security specialists.

5. Alignment of findings with the Matrix of Institutional Factors

5.1. Cross-checking Factor Identification with the Matrix of Institutional Factors

In this section, the document review findings for institutional factor identification are matched against the identification findings using the Matrix of Institutional Factors (MAFI) methodology. This exercise has two straightforward benefits: 1) it corroborates consistency in the factors that are identified in two independent institutional factor evaluations using a document review approach;⁶⁰ and 2) given the broader scope of material review of this in-depth study as compared to the MAFI, the study stands to give an impression of the extent to which institutional factor identification may be underreported in the evaluations documents (and thus the MAFI) vis-à-vis other operational materials such as memoranda, aide-memoires, Bank and EA correspondence; and importantly, vis-à-vis the specialist and administrator experiences reported in interviews. In the following sub-sections, factor identification using MAFI and this study's document reviews will be matched and contrasted.⁶¹

Interview divergence in factor identification, as can be distinguished by the notation in the above-section is minimal: the project documents capture the overwhelming majority of institutional concerns faced. Thus this section only considers document review material for comparison purposes.⁶² This decision should not be construed to mean that interviews of team members are not a valuable information resource – indeed they are and in many cases provide rich detail that improves the understanding of the institutional factor in its operational context. Interviews are, nevertheless, resource costly (in terms of time and transaction costs; for example access and availability of interviewees). Insofar as the Bank looks for effective mechanisms and instruments to assess operational performance and roadblocks in the institutional dimension, this section only compares document review material with the MAFI factor identification methodology as a way of cross-checking the comprehensiveness of the latter information and collection system. Finally, it should be noted that the number of factors identified by each mechanism (RM Study or MAFI methodology) is irrelevant to this study insofar as the RM Study does not count with a pre-defined taxonomy for definitional comparison.⁶³

5.1.1. MAFI/RM Study Factor Identification for EC-T1185

On its left side, Table 8 shows the institutional factor identification findings from the present study “RM Study.” On its right it shows those identified by the Matrix of Institutional Factors (MAFI). The factors identified in this study concern lack of existing coordination mechanisms between the actors, political

⁶⁰ By the MAFI institutional analyst coding institutional factors and by this consultancy's identification exercise.

⁶¹ For a comparison of the full coding charts, including mitigation action identification for the RM Study and Thematic Group categorization for MAFI Factor Identification, see Annex III.

⁶² Even if they also figured in interviews.

⁶³ The creation of such taxonomy is not in the scope of this project. Indeed, it would prove very inefficient and cost-ineffective to create two separate classification systems with the sole purpose of validating one. Rather, the consultancy relies on her institutional expertise for a more open classification of the factors, for what is important in this matching is the substantive consonance between the class of factors identified, and not their definitional particularities.

support for binding policies and divergent interest of the private sector. There is as direct correspondence between the first two factors identified and two factors identified by the MAFI and classified in its institutional factor taxonomy (“lack of strategic alliance to support reform,” “deficit of coordination between multiple actors” and “lack of the project priority for the relevant ministry or in the public agenda”). The MAFI also identifies “the absence of adequate regulatory and/or institutional frameworks to guarantee access to information.” This factor was not identified by this study since it was the very issue to be addressed by the intervention. That is to say, the technical cooperation was specifically designed to create transparency outputs in terms of access to information. Similar to the identification analysis in TAC operations, when the institutional factor is the condition to be addressed by one or more of the operation components as a main objective, this is not considered an intervening risk or vulnerability to mitigate (see section 3.1.2.2 on TAC).

Table 8. RM Sub-sector Study and MAFI Institutional Factor Findings for EC-T1185

RM In-depth Study Institutional Factor Identification - Document Review			MAFI Institutional Factor Identification		
<i>EC-T1185 - Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	Project Number	Factor Institucional	Factor_Type
1 Lack of natural coordination mechanisms between actors	Traditionally, there has not been much linkage of civil society's information access demands and the private sector business practices.	DESIGN	EC-T1185	Lack of strategic alliances (public-private) to support reform.	Ex-Ante
2 Lack of political support for binding public policies	Lack of consideration of public policy proposals (by the government and the sector) to achieve a more transparent and less-corruption prone extractive sector.	DES/IMPL	EC-T1185	El proyecto no forma parte de la prioridad en la agenda pública o agenda de gestión del ministro	Ex-Ante
3 Divergent interests of the private sector	Lack of adoption of the transparency standards.	DES/IMPL	EC-T1185	Déficit de coordinación entre los múltiples actores involucrados en la ejecución del proyecto	Ex-Ante
			EC-T1185	Lack of sectorial strategic frameworks.	Ex-Ante
			EC-T1185	Absence of adequate regulatory and/or institutional framework to guarantee access to information.	Ex-Ante

5.1.2. MAFI/RM Study Factor Identification for CH-0170

The institutional factors identified by the MAFI methodology correspond to all of the factors identified by this study for operation CH0170 (see Table 9). Indeed, lack of political support or leadership within the EA agency, risk aversion, lack of change management practices or mechanisms, inefficient budgeting practices and fragmentation in decision-making structures and policy were all risk and vulnerability factors identified independently as affecting this operation. Comparison of the adjacent tables also shows that the principal time of factor identification for this operation occurred in its final evaluation stages, a finding in line with the interview assessment of team member specialists. Sensitive information regarding the negotiation and agreement for the loan is the only institutional information not detected in the documents, but discussed in the factor identification section of the operation as the political economy context surrounding the negotiation of the loan.

Table 9. RM Sub-sector Study and MAFI Institutional Factor Findings for CH0170

RM In-depth Study Institutional Factor Identification - Document Review			MAFI Institutional Factor Identification			
CH0170 - Institutional factors	Specific risk or vulnerability	Time	Project Number	Factor Institucional	Factor_Type	
1	Lack of change management structures & resistance to change culture.	Resistance to adopt new and more modern administration procedures and processes. There was a highly foreseeable resistance to a project that called for a comprehensive transformation of the institution; an institution known for its hierarchical structure, rigidity and formalism (the institution had never experienced a significant change in its administration for 75 years, since its establishment in 1927). Further, in the municipalities, there was no political will to create a work relationship with the federally-based CGR to advance in the development of municipal financial information systems that would enable an effective integration with the federal financial information system (SIGFE). Lastly, the Executive did not want to pursue the integration of internal audits.	DES/FINAL	CH-0170	Aversión al riesgo. Ejemplo unidades de tecnología cuentan con asesoría legal propia antes de enviar la solicitud de dictamen oficial por el órgano jurídico de la entidad	Durante
2	Lack of leadership and/or political support in the agency for the program	The Comptroller instated at the head of the CGR did not see the necessity for change in the practices of the institution. Given the highly hierarchical structure of the institution, lack of support at the head of the institution for the program implied the program's stagnation until the arrival of a new leadership.	IMPL/FINAL	CH-0170	Low or nonexistent budget planning capabilities. - Dificultades en adquisiciones	Durante/Ex-Post
3	Lack of infrastructure for more efficient processes.	The Accounting area of the CGR (versus the Auditing and Legal areas) lacks a common information system, systematized flows and procedures for information management.	FINAL	CH-0170	El proyecto no forma parte de la prioridad en la agenda pública o agenda de gestión del ministro	Ex-Post
4	Bank evaluation did not account for the adequate mitigation of institutional risks.	Ineffective reaction of the Bank to the program's detractor between 2002 and 2007. Per the final report, "the Bank endeavored to evaluate the progress and fulfillment of the formal aspects of the operation" rather than addressing the stagnation of the program from its root cause. Additionally, the project lacked adequate evaluation measures for the actual components implemented of the project.	FINAL	CH-0170	Fragmentación de la responsabilidad y autoridad en el proceso de toma de decisiones	Ex-Post
5	Cumbersome and inefficient organizational processes	While the operational part of the CGR was in charge of the execution of the project's components, it was not involved in any decisions regarding the design and implementation of the same. In fact, the EA was subordinated de facto by a decision-making Council comprised by the Comptroller and CGR Division Chiefs. Decisions were made by consensus (with up to 9 people in the Council at a time), a decision-making procedure that led to a "very slow" execution of the program.	FINAL	CH-0170	Policy fragmentation (via autoridad superior micromanager, falta coherencia estratégica dentro de la agencia)	Ex-Post
				CH-0170	Institutional barriers and lack of coordination among institutions blocks or hinders reform.	Ex-Post
				CH-0170	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Ex-Post
				CH-0170	Gestión del cambio inadecuada. Cambios estructurales en como la organización funciona, en la cultura organizacional de la entidad.	Siempre Presente

5.1.3. MAFI/RM Study Factor Identification for NI-0168

Similarly to operation CH0170, there is a large degree of consonance and very close correspondence between the institutional factors identified by the RM Study and those identified by the MAFI (see Table 10). Per this project's original factor identification review in section 3.1.2.3, the RM Study identifies

several factors related to coordination deficiencies or lack of capacity sourcing from distinct entities in the environment of project execution. It also identifies institutional vulnerabilities in an under-developed legal framework (so given as a function of the country’s historical trajectory), and the lack of experience and institutional leverage of a nascent agency (the General Directorate for Citizen Security). Per the RM analysis, institutional factors were by the most part identified in the design and design-and-implementation stages of the project, rather than later. This difference in timing identification between the MAFI and the RM Study might be due to the fact that a significant citing of the factors occurred in the Plan of Operations in the background information section of the operation, and not always as itemized institutional challenges in the relevant section.⁶⁴

Table 10. RM Sub-sector Study and MAFI Institutional Factor Findings for NIO168

RM In-depth Study Institutional Factor Identification - Document Review			MAFI Institutional Factor Identification		
<i>NIO168 - Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Project Number</i>	<i>Factor Institucional</i>	<i>Factor_Type</i>
1 Under-developed legal framework and undermined respect for the rule of law.	A context of undermined respect for the rule of law given the historic context imposed in the 1970s between civil society and the institution. That historical context also fostered neglect of the development of the country's legal framework.	DESIGN	NI-0168	Durante la ejecución del proyecto se produce un cambio de gobierno - Cambios de política de la Agencia	Ex-Ante
2 Lack of policy direction or mandate.	Lack of comprehensive public policy that assigns concrete roles and defines a clear course of action leaves weaknesses in leadership, management, planning and evaluation of a citizen security program.	DESIGN	NI-0168	Falta de experiencia y conocimiento de las contrapartes para gestionar proyectos complejos (preparación de TdR, contratos, negociación de los mismos, supervisión de los productos)	Ex-Ante
3 Political and electoral cycles	Lack of public policies or mandates for citizen security detract from political leadership of this complex project, a risk that is magnified by the time-horizon of the electoral and political cycle (tenure for decision-making authorities ending in the short-term). Additionally, political cycles led some government officials to use some of the operation's program as a selling point for electoral support.	DES/IMPL	NI-0168	Fallas en la coordinación de esfuerzos entre actores de organismos donantes, multilaterales y el gobierno	Durante/Ex-Post
4 Lack of technical and organizational capacity.	The General Directorate for Citizen Security (DGSC), as a new entity, requires technical support for increased institutional capacity. Also, institutions are not familiar with topic concepts, nor are they familiar with M+E procedures.	DES/IMPL	NI-0168	Absence of adequate regulatory and/or institutional framework to guarantee access to information.	Durante/Ex-Post
5 Lack of organizational infrastructure/mechanisms for information dissemination.	Accurate information needs to be generated regarding youth risk and its relationship with violence, as this is often connected with lack of education.	DES/IMPL	NI-0168	Prioridades diferentes de un nuevo programa de Gobierno o del plan estratégico de la entidad ejecutora - Cambios de política Nacionales	Siempre Presente
6 Lack of physical structure for the institution	The Social Crime Prevention Committees (CSPD) need physical infrastructure improvements at the local level to operate effectively, with particular attention to Women's Commissariats.	DES/IMPL	NI-0168	Déficit de coordinación entre los múltiples actores involucrados en la ejecución del proyecto	Siempre Presente
7 Lack of management capacity and coordination.	Lack of training and coordination inhibit the provision of prevention services addressing domestic violence. Lack of coordination between EA and Treasury for loan disbursements.	IMPLEM			

⁶⁴ Rather than suggesting that the MAFI analyst ought to review all documents from start to finish exhaustively (although the selection could be strategically expanded to include these background sections), a presumably better practice would be for specialists to re-identify the institutional factors in the section of the Plan of Operations corresponding to ‘Institutional Challenges’ (see Section 4.1.1).

8	Lack of institutional support	Changes in priorities in some co-executing agencies do not contribute to program objectives.	IMPLEM
9	Lack of coordination mechanisms	Existing CPSD's coordination mechanisms need to be enhanced at a local level in order to implement the components of the loan requiring active local participation.	IMPL/FINAL
10	Institutional uncertainty and lack of political leadership	The innovative nature and scope of the project (with broad areas of action), create uncertainties over expected results, especially given the project's longer-than-average execution period for projects in the country. Political leadership is thus not a strong component in this project.	IMPL/FINAL

5.1.4. MAFI/RM Study Factor Identification for TT-L1003

Consistent with the matching between RM Study and the MAFI methodology in the other operations, identification of institutional factors by both processes yield a very similar collection of factors identified in this loan operation. Firstly, both processes identify factors in a wide array of institutional risk or vulnerability areas, including institutional uncertainty, lack of public sector alliances, lack of experience of infrastructure, fluctuations in program leadership and political support and a severe lack in coordination mechanisms. In contrast with the Nicaragua Citizen Security Program loan operation, the RM Study and the MAFI method coincided that although numerous, the institutional factors posing risks or vulnerabilities to the operation were only identified after operation approval and well into its implementation stage.⁶⁵ Community disapproval or resistance to the project was the only factor for the MAFI review to identify (see Table 11).

Table 11. RM Sub-sector Study and MAFI Institutional Factor Findings for TT-L1003.

RM In-depth Study Institutional Factor Identification - Document Review			MAFI Institutional Factor Identification			
TT-L1003 - Institutional factors	Specific risk or vulnerability	Time	Project Number	Factor Institucional	Factor_Type	
1	Lack of infrastructure (equipment, data collection capacity)	Data quality, relevance and even formatting inconsistent or low. Some data not available electronically.	DESIGN	TT-L1003	Falta de experiencia y conocimiento de las contrapartes para gestionar proyectos complejos (preparación de TdR, contratos, negociación de los mismos, supervisión de los productos)	Ex-Ante/Durante
2	Community discontent with the project (perceived as political arbitrage opportunity)	The program was perceived as "a last-ditch effort to secure votes for the upcoming national elections in communities which have been ignored for the past few years". Thus community members resisted mobilization, as they perceived that efforts to mobilize were electorally-linked. Additionally, the community was concerned about the reputational social costs of collaboration (e.g., fear of victimization by being labeled an 'informant').	DESIGN	TT-L1003	Lack of strategic alliances (public-private) to support reform.	Durante
3	Lack of institutional actors/institutional vacuum	Difficulty identifying community-serving organizations (NGOs) with capacity and reputability to facilitate and mobilize community consultations and implement project components. Scant presence of several co-executing agency local representatives (e.g., local governance structure in some localities, as a mayor); as well as differing community organization in Tobago v. Trinidad localities.	DES/IMPL	TT-L1003	Déficit de coordinación entre los múltiples actores involucrados en la ejecución del proyecto	Durante

⁶⁵ At the eighteen month mark of a 5-year program, through the Loan Results Review (LRR).

4	Problems with inter-agency coordination	Known vulnerability at design stage. Lack of a relationship between central agencies and civil society (never collaborated before). Institutional strengthening component not designed with coordination with the crime analysis unit within the Police Department, though data on crime and violence is an essential component for successful measurement of project impact and project re-design. Moreover, at least five analytic units within the Ministry of National Security produce their own crime analyses. Poor timeliness of response across agencies. It is believed that there is a perception of competition across co-executing units that is culprit for the lack of coordination and collaboration.	DES/IMPL	TT-L1003	Celos institucionales por el manejo de recursos, visibilidad, poder etc. que afectan tanto el diseño como la ejecución de operaciones.	Durante
5	Inefficient organizational mechanisms and lack of capacity	Project execution plan (PEP) and operations manual not finalized 18 months after the commencement of project activities. Additionally, procurement delays due to unfamiliarity with the Bank's procurement standards and the 'ceiling'-based national procurement system creating significant delays.	IMPL	TT-L1003	Temptation to "import" solutions, without adequate adaptation to local context	Durante
6	Budgetary issues & lack of strategic alignment and/or correspondence between program and resource allocation.	Project activities are not coordinated with the larger police reform funded with local resources.	IMPL	TT-L1003	Low or nonexistent budget planning capabilities. - Dificultades en adquisiciones	Durante
7	Organizational changes impact the continuity of the project	The Bank organizational realignment took place as the project was beginning implementation. Change in procedures, in measurement focus (evaluability), Bank sector unit handling the implementation of the project (from a SPH specialist to an ICS specialist with a logic), HQ versus field supervision, all have caused further delays on account of new evaluations, redesign of large components of the operation, establishing field relationships, and so on.	IMPL	TT-L1003	Cumbersome and paper-based processes with multiple steps	Durante
8	Institutional uncertainty	The broad multi-sector scope of the project, coupled with the EA lack of experience working with a whole class of co-executing entities (e.g., NGOs) and the lack of a governance structure at the local level (e.g., mayors in some localities), create uncertainty for lender and borrower of how effectively the program will implement. Moreover, in the community the multiple delays the projects has faced, and rotation of EA personnel reporting to the field, is contributing to a lowered enthusiasm in the communities.	IMPL	TT-L1003	Baja capacidad en manejo de procedimientos del Banco	Durante
9	Importation of solutions with disregard to the country-context.	The operation seemed to follow very closely the structure of a Citizen Security program designed for another country. Because the roots of violence in both countries are dissimilar, program components were not always designed to address the root causes of violence in Trinidad & Tobago.	IMPL			

5.2. Observations of the RM Study and MAFI Methodology Factor Identification

In general terms, the correspondence in factor identification between the RM Study and the MAFI was very close to 1:1. If not textually identical, substantively inter-exchangeable 'factors' were identified by the RM Study and the MAFI both in terms of the institutional dynamics affecting Bank operations and the time at which these are identified in the project's cycle. That the MAFI methodology is able to create such a comprehensive collection of factors affecting the operation as would an in-depth review of all

manner of supplementary operational material (with the exclusion of interviews), signals that its selected sources (initial, mid-term and final evaluations) are robust. Even within the limits circumscribed by the matching of a small sample of operations, this finding should assuage concerns about the comprehensiveness of factor identification from evaluation documentation. Even if not exhaustive, these documents seem to reflect critical risks and vulnerabilities in Bank projects from which design and execution lessons could be learned for better addressing them.⁶⁶

It is worth mentioning that the consultancy was concerned about the potential unwieldiness and over-identification of factors by the MAFI methodology given the size of the MAFI factor taxonomy (72 factors).⁶⁷ Nevertheless, the consultancy found that the nuances between factors as defined by the MAFI serve to identify different sources or distinct dynamics across factors that were evidently distinct in the way they need to be addressed for a more effective operation.⁶⁸ An area to consider methodology refinement would perhaps be in the evaluation as risk or vulnerability of institutional factors in the operation that are themselves the core to be attended and resolved by the project (e.g., in Transparency operations, the creation of transparency systems). This over-identification concern is bound to affect only a subgroup of Bank operations (i.e., those designed to address institutional capacity concerns), and is not expected to surface as a difficulty in other sectors. Overall, the MAFI methodology appears to be an effective measurement tool of institutional factors adversely affecting Bank operations.

6. Conclusions

6.1. Findings: First and Second Order Results

6.1.1. First Order Results: Factor Identifications & Observations

The first set of results reported in this section are first order results, that is to say results that concern directly the task of factor identification, be it observations of the source, the occurrence of a factor itself,⁶⁹ or how the character of the operation(s) may lend itself to particular and compounded institutional risks and vulnerabilities. These first order conclusions are bound to be most relevant to specialists for the design and implementation of their operations, and administrators in assessing how existing instruments, practices and/or knowledge-dissemination strategies address these institutional operational challenges.

- Coordination problems between (or within) agencies and other stakeholders is the single most recurring factor across the operations analyzed.⁷⁰ Looking to assuage this challenge, existing

⁶⁶ This statement concerns the MAFI methodology for factor and mitigation activities identification. Conceptual and methodological decisions pertaining to the focus of any analysis based on MAFI-identified factors are not here assessed.

⁶⁷ A concern expressed by a lead specialist interviewed.

⁶⁸ There were a couple of exceptions to this statement, nevertheless the benefit of the nuanced distinctions appears to supersede its cost of unwieldiness or potential repetition. Additionally, the MAFI's categorization by thematic group (see Annex III) seemed to greatly assuage this concern.

⁶⁹ As observed by the author or interviewed specialists.

⁷⁰ In agreement with the MAFI reports' identification of this factor as the most recurrent across Bank operations.

coordination mechanisms must be in place in the design of operations. Alternatively, detailed mechanisms that align with the co-executors' incentives and capacity must be foreseen for early implementation.

- Country and local context must be taken into account for program formulation. Importation of thematic programs from country to country without an assessment of the needs and root causes of the country runs the risk of creating a program that does not attend those causes, does not meet its objectives and is an inefficient use of technical and financial resources (TT-L1003). . The projects must have a strong support from all the stakeholders or at least co-executors and *respond to the needs of the country*.
- Projects must be tailored to countries' capacity to execute (TT-L1003) and to incur debt (NI0168) for them to be operationally viable. Otherwise there is the risk of an over-budgeted project (TT-L1003) with potential deadweight losses, or a program that needs to be curtailed because of insufficient financial resources (NI0168).
- The technical capacity of the lead Executing Agency is very important for ease of project implementation. If technical capacity is lacking, preparatory interventions⁷¹ (such as TCPs concentrated on building technical capacity may be warranted before loan operation). This presumes capacity assessment of co-executors (NI0168). Throughout all three of the loan interventions clear capacity of the EA as well as a collaborative rapport with the Treasury or disbursement agency is of particular importance.⁷²
- Large, multi-sector, multi-faceted projects may create vulnerabilities by its sheer size and scope (uncertainty about outcomes, hesitant leadership), especially when the country's capacity is reduced (when the number of actors increase, also do the coordination costs). The role of each participant or co-executor must thus be well-defined in advance, tasking them with activities that leverage their expertise and comparative advantage
- Large-scale project unwieldiness can also be addressed by:
 - Phasing large projects (NI0168) into separate operations to allow for 'exploration' of the circumstances with concrete, but not as ambitious objectives that help establish a dialogue between the parties and assess their commitment and capacity for project implementation (EC-T1185).
 - Otherwise, loan disbursement pre-conditions and conditions ("disbursement triggers") can be used to ensure fulfillment of the necessary steps to fulfill objectives.
 - For complex operations a focus on the most modifiable risks in target localities as activity components to broad interventions that may be under delivery capacity.

⁷¹ Especially to ensure the basic knowledge of subject-matter concepts.

⁷² Another modality of execution is hiring another multilateral agency with field presence, experience and reputability, such as the UNDP. A citizen security project in Uruguay, Citizen Security: Prevention, Violence and Crime (UR-0118) was executed by the UNDP. Specialists and assessments of the operation report that the operation was very well executed. The cost, however, is a percentage of the operation (approx. 5%) and less capacity building in the institutions of the borrowing country. This may be two conditions to which the borrowing country may or may not be agreeable, but which nevertheless merit discussion for complex projects in a context of very low technical capacity of the relevant country agencies, high uncertainty, and political cycles.

- When conducting pilot studies in localities, measuring project success by aggregate national measures undermines the success of the programs impact and may translate in a loss of priority for the program (NI0168 & TT-L1003) in the Ministry executing.
- A most valuable instrument in understanding the operations' institutional risks and vulnerabilities was the Loan Results Review (LRR). The LRR featured a greater breadth in examining institutional challenges and risks in the operation's implementation, *and their potential resolution* (vis-à-vis the PPMRs questionnaire, which at times omitted the "Risks" category).

6.1.2. Second Order Results: Flexibility v. Early Detection – A False Dichotomy

The two main second order findings of the study, as relate to the conceptual framework and most relevant for administrators and research & knowledge specialists for knowledge, strategy and operational advancement can be summarized as follows:

1. Early detection is *not* a dichotomous trade-off against *flexibility*; both characteristics can be incorporated in an operation simultaneously; and
2. Per the theoretical expectation, no empirical benefits were found for choosing flexibility over early detection. In fact, not detecting institutional factors early is bound to create a vulnerable operation subject to delays and implementation challenges. By the same token, just as eliminating flexibility from the operation's design might lead to pre-defined action sets that are incongruent with an evolving reality through the time of the project's implementation.

The main conclusion of the study is that both flexibility and implementation are important elements in project design in the strategic subsectors of Citizen Security and Transparency & Anti-Corruption. And so the question of "What is the right balance?" might better be reformulated to steer away from a substitutability (trade-off) focus, and geared toward a question that underscores the complementarities. Inferring from the analysis of the selected operations in the Reform and Modernization of the State subsectors, early formal and routine detection is important. By the same token, flexibility measures have to be thought of, as several specialists and administrators suggest, from a dynamic perspective: country-sector realities change, be it due to political or economic cycles, changes in agenda priorities, external shocks or revealed unknown factors.

6.2. Recommendations for future steps

Aside from the clear extension of this type of activity to sectors in which institutional capacity assessment are not as common-practice as they are in the Reform and Modernization of the State (e.g., infrastructure, commerce) but nonetheless are impacted by institutional challenges, the main recommendation from this study is to follow the line of research suggested from the second order findings. That is, on the basis of the dispelled dichotomy between flexibility and early detection,

reflect over the conceptual groundings that will allow a differentiation of institutional factors based on their likelihood for dynamic change hiding behind that trade-off façade. Namely, ***assess the types of institutional factors in their dynamism as faced by Bank projects⁷³: be it those with strong temporal fluctuations*** (as may be with changes in leadership); or those ***that are more static in nature*** (e.g., lack of civil service career track, or of efficient information exchange organizational mechanisms) to refine existing instruments and create new ones that address these challenges with more precision⁷⁴ and thus improve operational performance.

⁷³ Or classes of Bank projects, as may be parsed in a sector, country, or cross-cutting dimension.

⁷⁴ Institutional challenges have differing dimensions that make their resolutions necessarily distinct. In addition to the dynamic nature of institutional factors, their salience on actors' incentive is important. See Annex 10. Differing Types of "Bad Institutionalilty:" Coordination versus Cooperation Problems.

ANNEXES

Annex I. Study Interviewees

Banco Interamericano de Desarrollo, Especialistas Entrevistas	
1	<i>Luis Estanislao Echebarría, General Manager and Chief, Strategic Planning and Development Effectiveness Unit (SPD/SPD)</i>
2	<i>Mario Marcel Culell, Department Manager (ICF/ICF)</i>
3	<i>Claudia de Colstoun Werebe, Chief, Talent Management Division (HRD/TLM)</i>
4	<i>Gloria Coronel, Fiduciary Financial Management Lead Specialist (PDP/CME)</i>
5	<i>Denise Ann Salabie, Fiduciary Financial Management Senior Specialist (PDP/CTT)</i>
6	<i>Santiago Schneider, Fiduciary Financial Management Specialist (PDP/CEC)</i>
7	<i>Marco Andrés Alemán, Fiduciary Financial Specialist (PDP/CEC)</i>
8	<i>Neeca N. Brathwaite, Operations Senior Analyst (CCB/CTT)</i>
9	<i>Dale Anthony James, Operations Senior Associate (CCB/CTT)</i>
10	<i>Nelson Xavier Montalvo Mancheno, Consultant (CAN/CEC)</i>
11	<i>Jorge Lamas, Modernization of the State Lead Specialist, Retired (ICF/ICS)</i>
12	<i>Gustavo Beliz, Citizen Security Thematic Coordinator & Modernization of the State Lead Specialist (ICF/ICS)</i>
13	<i>Paloma Baena, Transparency & Anti-Corruption Thematic Group Coordinator & Modernization of the State Specialist (ICF/ICS)</i>
14	<i>Juan Carlos Cortazar, Modernization of the State Lead Specialist (ICS/CCH)</i>
15	<i>Dino Capriolo, Modernization of the State Lead Specialist (ICS/CAR)</i>
16	<i>Javier Reyes, Modernization of the State Senior Specialist (ICS/CEC)</i>
17	<i>Mariko Russell, Modernization of the State Senior Specialist (ICF/ICS)</i>
18	<i>Benjamín Santa María, Modernization of the State Senior Specialist (ICS/CTT)</i>
19	<i>Mauricio García Mejía, Modernization of the State Specialist (ICF/ICS)</i>

Annex II. Sample interview points

1. Thematic group coordinator
 - a. Portfolio (no. of operations: LON, TC, KCP), range of amount, time as coordinator
 - b. Common mission, characteristics and challenges of operations
2. Team Leader
 - a. Design challenges & mitigation actions
 - b. Putting together a team
 - c. Objectives met as set forth in the Plan of Operation
 - d. Shared components with other Modernization of the State projects
 - e. Perceived shared challenges
3. Team Members, including fiduciary specialists
 - a. Basic info of the operation
 - b. What was your role in this operation (including missions)?
 - c. What IC factors did you see?
 - d. Executing agency
 - e. Fiduciary specialists
 - f. Country/sector context
 - g. Counterpart/executing agency level of collaboration
 - h. Executing agency capacity
 - i. Risks and vulnerabilities changing (appearing or disappearing) over time? Did the joint presence of any two factors or more significantly affect the operation's execution.

Annex III. Institutional Factors Identified by the MAFI vis-à-vis those identified by the Study.

EC-T1185 Transparency in the Extractive Oil Industry

EC-T1185					
	<i>Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Related-mitigation actions, if any</i>	<i>Addressed?</i>
1	Lack of political support for binding public policies	Lack of consideration of public policy proposals (by the government and the sector) to achieve a more transparent and less-corruption prone extractive sector.	DES/IMPL	Political actors are included in the socialization and validation processes during the drafting stage of public policy proposals, as to ensure that these are considered.	Not established in the documents.
2	Divergent interests of the private sector	Lack of adoption of the transparency standards.	DES/IMPL	1) Careful selection of actors during this sector pilot, 2) linkage between standards and information systems; 3) Institution and civil-society training during the pilot such that they continue to demand the information.	Not established in the documents.

Project Number	Factor ID	Grupo Tematico	Dimensión	Categoría	Factor Institucional	Factor_Type
EC-T1185	21	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Sistema político y condiciones de entorno para la reforma institucional	Factores de Economía Política	Lack of strategic alliances (public-private) to support reform.	Ex-Ante
EC-T1185	29	Prioridad del proyecto para el gobierno y condiciones de estabilidad en la estructura de ejecución	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	El proyecto no forma parte de la prioridad en la agenda pública o agenda de gestión del ministro	Ex-Ante
EC-T1185	32	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Déficit de coordinación entre los múltiples actores involucrados en la ejecución del proyecto	Ex-Ante
EC-T1185	35	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Lack of sectorial strategic frameworks.	Ex-Ante
EC-T1185	77	Rendición de cuentas y transparencia	Rendición de cuentas y transparencia	Transparencia	Absence of adequate regulatory and/or institutional framework to guarantee access to information.	Ex-Ante

CH0170 – Modernization of the Comptroller’s Office

CH-0170				
Institutional factors	Specific risk or vulnerability	Time	Related-mitigation actions, if any	Addressed?
1	Lack of change management structures & resistance to change culture.	DES/FINAL	It was thought the change-unfriendly environment would be mitigated through the leadership and commitment from the mid-ranks and high authorities of the CGR during the design of the operation.	This factor dictated a 5-year stagnation in project implementation, until a new and more modernizing-friendly leadership arrived in the institution in 2007 (the one arriving in 2002 did not prioritize the program and had no previous experience with international institutions). The final review states that the project needed to be followed closely, with transparency and an ICS specialist in the project. Up until 2006 the project was led by fiduciary specialists in the field. It notes that it is not within these specialists' responsibilities or scope to provide technical or strategic support to a modernization of the state project, and thus this area of the project was not effectively addressed.
2	Lack of infrastructure for more efficient processes.	FINAL	Investment in infrastructure for information systems.	Lack of this system rendered this area of the institution as the least achieving in terms of efficiency and effectiveness modernization. Loan resources covered the generation of other systems for information management that had a basic information system supporting its design (as in Legal and Auditing areas).
3	Bank evaluation did not account for the adequate mitigation of institutional risks.	FINAL		Redesign of the evaluation model for the project by external consultancy.
4	Cumbersome and inefficient organizational processes	FINAL	Leadership was assumed for the project (and thus decisions assumed to be positive regarding the execution of the program), given that the project was designed and negotiated in the context of a very supportive, modernization-oriented and proactive Comptroller.	This decision-making process was maintained and caused significant execution delays.

Project Number	Factor ID	Grupo Tematico	Dimensión	Categoría	Factor Institucional	Factor_Type
CH-0170	73	Gestión estratégica del cambio	Capacidades técnico-institucionales para la gestión del proyecto	Gestión del cambio	Aversión al riesgo. Ejemplo unidades de tecnología cuentan con asesoría legal propia antes de enviar la solicitud de dictamen oficial por el órgano jurídico de la entidad	Durante
CH-0170	63	Capacidades institucionales y técnicas del prestatario para una implementación satisfactoria del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Gestión de recursos financieros y fiduciarios	Low or nonexistent budget planning capabilities. - Dificultades en adquisiciones	Durante/Ex-Post
CH-0170	29	Prioridad del proyecto para el gobierno y condiciones de estabilidad en la estructura de ejecución	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	El proyecto no forma parte de la prioridad en la agenda pública o agenda de gestión del ministro	Ex-Post
CH-0170	31	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Fragmentación de la responsabilidad y autoridad en el proceso de toma de decisiones	Ex-Post
CH-0170	33	Capacidades institucionales y técnicas del prestatario para una implementación satisfactoria del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Policy fragmentation (via autoridad superior micromanager, falta coherencia estratégica dentro de la agencia)	Ex-Post
CH-0170	36	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Institutional barriers and lack of coordination among institutions blocks or hinders reform.	Ex-Post
CH-0170	38	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Ex-Post
CH-0170	74	Gestión estratégica del cambio	Capacidades técnico-institucionales para la gestión del proyecto	Gestión del cambio	Gestión del cambio inadecuada. Cambios estructurales en como la organización funciona, en la cultura organizacional de la entidad.	Siempre Presente

NI0168 – Citizen Security Program

NI-0168				
<i>Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Related-mitigation actions, if any</i>	<i>Addressed?</i>
1 Under-developed legal framework and undermined respect for the rule of law.	A context of undermined respect for the rule of law given the historic context imposed in the 1970s between civil society and the institution. That historical context also fostered neglect of the development of the country's legal framework.	DESIGN	.	Not established in the documents.
2 Lack of policy direction or mandate.	Lack of comprehensive public policy that assigns concrete roles and defines a clear course of action leaves weaknesses in leadership, management, planning and evaluation of a citizen security program.	DESIGN		
3 Political and electoral cycles	Lack of public policies or mandates for citizen security detract from political leadership of this complex project, a risk that is magnified by the time-horizon of the electoral and political cycle (tenure for decision-making authorities ending in the short-term).	DESIGN	To minimized this risk, active participation by local communities (including municipalities and civil society entities) is a cornerstone of the project.	
4 Lack of technical and organization	The General Directorate for Citizen Security, as a new entity, requires technical support for increased institutional capacity.	DES/IMPL	In its training and direction the General Directorate (DGSCS) outlined the need to be alert of potential duplications and capitalize on each agency's comparative advantage in producing their outputs.	After a study conducted on the EA's technical and coordination capacity (a study show co-executor complaints, delays & contracts w/o related products), it was decided to have this Directorate subsumed under the National Police (PN), a much stronger, established and neutral institutional actor (now as Directorate for Citizen Security). The PN is the new EA. Nevertheless, variance is observed across institutional capacity of different agencies.
5 Lack of organizational infrastructure/mechanisms for information dissemination.	Accurate information needs to be generated regarding youth risk and its relationship with violence, as this is often connected with lack of education.	DES/IMPL		By co-executors initiative in the youth component. In collaboration with the community, the Ministry of Education, Culture and Sport (MECD) capitalized on the discovered fact that youth are motivated to attend schools with sports facilities, and thus build on this knowledge for project implementation. Nevertheless, more dissemination of the effectiveness of this kind of strategy is needed.
6 Lack of physical structure for the institution	The Social Crime Prevention Committees (CSPD) need physical infrastructure improvements at the local level to operate effectively, with particular attention to Women's Commissariats.	DES/IMPL		
7 Lack of management capacity and coordination.	Lack of training and coordination inhibit the provision of prevention services addressing domestic violence.	IMPLEM		Domestic violence is pointed to as the issue with least advancement in the concluding phases of this operation.
8 Lack of coordination mechanisms	Existing CPSD's coordination mechanisms need to be enhanced at a local level in order to implement the components of the loan requiring active local participation.	IMPLEM	The program has a component to build the necessary institutional framework in terms of internal procedures, staff training and installation of an IT system. Also, Bank monitoring and supervision will allow for the identification and inclusion of organizational experiences learnt in the process. Additionally MIGOB received support from other institutions for the program in its design stages, and the National Committee on Peaceful Coexistence and Citizen Security (CNSCS) provides an inter-agency coordination platform. This platform is considered key for the success of the program, as it will be used to coordinate between the executive, other branches of government and civil society.	Given the withdrawal of the Korean cooperation funding, the institutional capacity component of this operation was weakened. Nevertheless the National Police as EA and the CNSCS proved to be important established institutions in moving the project forward (<i>interviews</i>).

9	Institutional uncertainty and lack of political leadership	The innovative nature and scope of the project (with broad areas of action), create uncertainties over expected results, especially given the project's longer-than-average execution period for projects in the country. Political leadership is thus not a strong component in this project.	IMPLEM	The innovative nature of the project is taken into account in its design, and thus it includes a number of mechanisms to mitigate this risk. These include very close Monitoring and Evaluation as to obtain lessons learned and make adjustments to the program whilst it is in progress; close IDB supervision through the Country Office and through annual administration missions; discussion and drafting of annual work plans by the Bank and the EA; and an external audit and monitoring with baseline from field reports.	Delays in the approval of the "Loan Agreement" between Bank and the Treasury (and thus delays in the ratification by the Congress). On this account the program was in the Bank's pipeline for 2.5 years before approval in 2004. Thereafter, changes in coexecuting ministries created a disjunction between activities and plan objectives (see below).
10	Lack of institutional support	Changes in priorities in some co-executing agencies do not contribute to program objectives.		Draft POA joint with co-executors to arrive at a consensus in the establishment of priorities.	

Project Number	Factor ID	Grupo Tematico	Dimensión	Categoría	Factor Institucional	Factor_Type
NI-0168	34	Capacidades institucionales y técnicas del prestatario para una implementación satisfactoria del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Durante la ejecución del proyecto se produce un cambio de gobierno - Cambios de política de la Agencia	Ex-Ante
NI-0168	64	Capacidades institucionales y técnicas del prestatario para una implementación satisfactoria del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Gestión de recursos financieros y fiduciarios	Falta de experiencia y conocimiento de las contrapartes para gestionar proyectos complejos (preparación de TdR, contratos, negociación de los mismos, supervisión de los productos)	Ex-Ante
NI-0168	8	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Sistema político y condiciones de entorno para la reforma institucional	Capacidades del sistema político para procesar reformas institucionales	Fallas en la coordinación de esfuerzos entre actores de organismos donantes, multilaterales y el gobierno	Durante/Ex-Post
NI-0168	77	Rendición de cuentas y transparencia	Rendición de cuentas y transparencia	Transparencia	Absence of adequate regulatory and/or institutional framework to guarantee access to information.	Durante/Ex-Post
NI-0168	6	Prioridad del proyecto para el gobierno y condiciones de estabilidad en la estructura de ejecución	Sistema político y condiciones de entorno para la reforma institucional	Capacidades del sistema político para procesar reformas institucionales	Prioridades diferentes de un nuevo programa de Gobierno o del plan estratégico de la entidad ejecutora - Cambios de política Nacionales	Siempre Presente
NI-0168	32	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Déficit de coordinación entre los múltiples actores involucrados en la ejecución del proyecto	Siempre Presente

TT-L1003 – Citizen Security Programme.

TT-L1003					
	<i>Institutional factors</i>	<i>Specific risk or vulnerability</i>	<i>Time</i>	<i>Related-mitigation actions, if any</i>	<i>Addressed?</i>
1	Lack of infrastructure (equipment, data collection capacity)	Data quality, relevance and even formatting inconsistent or low. Some data not available electronically.	DESIGN		Additional documentation commenting on this factor is not as of yet available.
2	Community discontent with the project (perceived as political arbitrage opportunity)	The program was perceived as "a last-ditch effort to secure votes for the upcoming national elections in communities which have been ignored for the past few years". Thus community members resisted mobilization, as they perceived that efforts to mobilize were electorally-linked. Additionally, the community was concerned about the reputational social costs of collaboration (e.g., fear of victimization by being labeled an 'informant').	DESIGN	For the EA (MNS), to reach out to NGOs who already have a relationship with the community, to mobilize consultations, based on those local-trust relationships	
3	Lack of institutional actors/institutional vacuum	Difficulty identifying community-serving organizations (NGOs) with capacity and reputability to facilitate and mobilize community consultations and implement project components. Scant presence of several co-executing agency local representatives (e.g., local governance structure in some localities, as a mayor); as well as differing community organization in Tobago v. Trinidad localities.	DES/IMPL	Continue seeking out NGO partners in communities.	
4	Problems with inter-agency coordination	Known vulnerability at design stage. Lack of a relationship between central agencies and civil society (never collaborated before). Institutional strengthening component not designed with coordination with the crime analysis unit within the Police Department, though data on crime and violence is an essential component for successful measurement of project impact and project re-design. Moreover, at least five analytic units within the Ministry of National Security produce their own crime analyses. Poor timeliness of response across agencies. It is believed that there is a perception of competition across co-executing units that is culprit for the lack of coordination and collaboration.	DES/IMPL	To discuss and develop a Memo of Understanding to allow for cooperation (with partner ministries). Distribute a collaboration matrix to CSP Steering Committee members as to identify programs and projects associated with community action with defined roles. Possibly restructure data component, in the meantime, on force account, the EA specialists are assessing the quality of crime and violence data to move forward with the operation.	
5	Inefficient organizational mechanisms and lack of capacity	Project execution plan (PEP) and operations manual not finalized 18 months after the commencement of project activities. Additionally, procurement delays due to unfamiliarity with the Bank's procurement standards and the 'ceiling'-based national procurement system creating significant delays.	IMPL	Review carefully the scope of the projects taking into consideration the design document, and classifying components as consulting or non-consulting services to facilitate procurement flows.	It was agreed that the PEP and operations manual should have been a pre-condition for disbursement. At time of 18-month evaluation, these were required from the EA.
6	Budgetary issues & lack of strategic alignment and/or correspondence between program and resource allocation.	Project activities are not coordinated with the larger police reform funded with local resources.	IMPL	Foster dialogue with the Police Department and including coordination mitigation activities (as outlined above).	Re-design of project components.

7	Organizational changes impact the continuity of the project	The Bank organizational realignment took place as the project was beginning implementation. Change in procedures, in measurement focus (evaluability), Bank sector unit handling the implementation of the project (from a SPH specialist to an ICS specialist with a logic), HQ versus field supervision, all have caused further delays on account of new evaluations, redesign of large components of the operation, establishing field relationships, and so on.	IMPL		Per the LRR, the Bank should have been more cognizant of change/transition operational needs at the time of its organizational realignment, for example, by establishing mechanisms to ensure continuity.
8	Institutional uncertainty	The broad multi-sector scope of the project, coupled with the EA lack of experience working with a whole class of co-executing entities (e.g., NGOs) and the lack of a governance structure at the local level (e.g., mayors in some localities), create uncertainty for lender and borrower of how effectively the program will implement. Moreover, in the community the multiple delays the projects has faced, and rotation of EA personnel reporting to the field, is contributing to a lowered enthusiasm in the communities.	IMPL	Be open to lessons learned and adjust components in the measure that these lessons learned suggest. Continue giving close follow-up as to continue promoting not only project advancement but also continuity in co-executing entities relationships.	

Project Number	Factor ID	Grupo Tematico	Dimensión	Categoría	Factor Institucional	Factor_Type
TT-L1003	64	Capacidades institucionales y técnicas del prestatario para una implementación satisfactoria del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Gestión de recursos financieros y fiduciarios	Falta de experiencia y conocimiento de las contrapartes para gestionar proyectos complejos (preparación de TdR, contratos, negociación de los mismos, supervisión de los productos)	Ex-Ante/Durante
TT-L1003	21	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Sistema político y condiciones de entorno para la reforma institucional	Factores de Economía Política	Lack of strategic alliances (public-private) to support reform.	Durante
TT-L1003	32	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Déficit de coordinación entre los múltiples actores involucrados en la ejecución del proyecto	Durante
TT-L1003	37	Coordinación estratégica entre actores institucionales con responsabilidad en el proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Celos institucionales por el manejo de recursos, visibilidad, poder etc. que afectan tanto el diseño como la ejecución de operaciones.	Durante
TT-L1003	39	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Diseño institucional y capacidades técnico políticas.	Temptation to "import" solutions, without adequate adaptation to local context	Durante
TT-L1003	63	Capacidades institucionales y técnicas del prestatario para una implementación satisfactoria del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Gestión de recursos financieros y fiduciarios	Low or nonexistent budget planning capabilities. - Dificultades en adquisiciones	Durante
TT-L1003	67	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Gestión de recursos financieros y fiduciarios	Cumbersome and paper-based processes with multiple steps	Durante
TT-L1003	69	Déficits institucionales en relación prestador/prestatario que afecta la calidad del proyecto	Capacidades técnico-institucionales para la gestión del proyecto	Gestión de recursos financieros y fiduciarios	Baja capacidad en manejo de procedimientos del Banco	Durante

Annex IV. Differing Types of “Bad Institutionalidad:” Coordination versus Cooperation Problems⁷⁵

<p>Carácter de la mala institucionalidad: La institución no logra alcanzar sus metas por falta de recursos, capacitación, organización, procesos eficientes, costos de transacción altos, etc.</p> <p>Índole del problema: Los problemas tienden a ser problemas de inversión y de coordinación.</p> <p>Capacidad Institucional: Fortalecimiento de la capacidad institucional conlleva inversiones en recursos para diseñar procesos nuevos, capacitar y retener a funcionarios, realmente <i>fortalecer</i> las bases de las instituciones (ej., escuelas primarias en áreas rurales, especialmente a nivel local; administración de programas de seguro social a nivel nacional; prevención de desastres a nivel regional en zonas geográficas que comparten vulnerabilidades).</p> <p>La coordinación entre instituciones se facilita cuando existen los recursos.</p>	<p>Carácter de la mala institucionalidad: La institución, o parte de la institución, se concibió o desarrollo mecanismos que implícitamente avanzan otras metas divergentes a la provisión de servicios por parte del estado, a causa de intereses particulares arraigados dentro de ella.</p> <p>Índole del problema: Los problemas tienden a ser problemas de cooperación y de desarraigar intereses, al igual que de una más alta inversión.</p> <p>Capacidad Institucional: Fortalecimiento de la capacidad institucional conlleva desarraigar los intereses que impiden la efectiva operación de las instituciones, cambiar la estructura de los incentivos para que no se perpetúe la ineficiencia de la institución (ej., reforma en el sector energético, en muchos ministerios de energía hay el interés de que la institución no pase reformas porque los funcionarios públicos reciben beneficios privados por parte de las compañías del sector privado, o si gestionado por el Estado, (ej., petróleo) por las rentas que se derivan directamente de manejar ese recurso.</p> <p>En este cuadro es necesario a veces <i>debilitar</i> ciertos procesos en la institución (los que sirven intereses propios) y <i>desarraigar</i> intereses inventando nuevos para fortalecer la institución de manera que sirva el fin social asignado.</p> <p>El problema aquí es uno de cooperación, que se basa usualmente en un problemática de distribución (de las rentas que adquieren los funcionarios en instituciones ‘fuertes’ no en el sentido de lograr su propósito, pero ‘fuertes’ en el sentido de tener esos mecanismos de redistribución muy arraigados, y por ende difíciles de alterar.</p> <p>El reto de fortalecer la institución para que desarrolle su misión efectiva y eficazmente es mucho mayor, por el simple hecho que no tan solo se tiene que levantar y fortalecer la infraestructura de una institución para su sana operación, sino que también se tiene que arraigar o suplantar mecanismos dentro de ello, y eso conlleva, con frecuencia, crear nuevos incentivos.</p>
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⁷⁵ Discussion and feedback table for the collaboration proposal on ‘binding constraints’ between ICF/ICS and OVE/OVE, November 2009. Table is author’s and references the theoretical conceptualization of international cooperations problems as ‘coordination’ versus ‘cooperation problems.’ Koremenos, B., C. Lipson and D. Snidal, “The Rational Design of International Institutions” International Organization, Special Issue: The Rational Design of Institutions. Autumn 2001, Vol. 55, No. 4: 761-799.