

**COLOMBIA**  
**MULTIPHASE PROGRAM TO SUPPORT THE SECOND STAGE OF EXPANSION OF THE**  
**FAMILIAS EN ACCIÓN CONDITIONAL CASH TRANSFER PROGRAM – PHASE ONE**  
**(CO-L1021)**

**PROCUREMENT PLAN**

**General information**

**Country:** Colombia

**Borrower:** Republic of Colombia

**Executing agency:** Agencia Presidencial para la Acción Social y la Cooperación Internacional [Presidential Agency for Social Action and International Cooperation]

**Project name:** Multiphase program to support expansion of the Familias en Acción program

**Project and loan contract number:** CO-L1021

**Brief description of project objectives and components:** The goal of the program is to help reduce extreme poverty in the medium term. The objective is to temporarily increase consumption, nutritional status, and schooling for the younger members of 1.5 million low-income families.

**Estimated date of approval by the Board of Executive Directors:** November 2007

**Estimated date of contract signature:** December 2007

**Estimated date of the final disbursement:** December 2009

**A. Introduction**

This operation will be implemented taking a sector-wide approach (SWAp). Ninety-two percent of Bank financing will be used to pay subsidies. The remainder will be used to contract consulting and other services described below, which will be governed by the Policies for the selection and contracting of consultants financed by the Inter-American Development Bank (document GN-2350-7) and the Policies for the procurement of works and goods financed by the Inter-American Development Bank (document GN-2349-7). A standard bidding document harmonized by the Intersector Government Procurement Committee, the World Bank, and the IDB will be used to select firms.

## **B. The procurement plan**

The procurement plan for CO-L1021, which covers 24 months of project execution<sup>1</sup> has been agreed on by the IDB, and World Bank, and the Colombian government. The plan, whose summary is included as Appendix 1, indicates the procurement procedure, the Bank's review requirements, and the estimated dates of publication of the specific procurement notices and completion of each contract. The procurement plan will be updated annually or when necessary or required by the Bank.

The procurement plan is available on the Internet page of the executing agency at [http://www.accionsocial.gov.co/contratacion/contratacion.aspx?licitacion\\_entidad=1](http://www.accionsocial.gov.co/contratacion/contratacion.aspx?licitacion_entidad=1). It can also be consulted on the Bank's Internet page at [Información de Adquisiciones de Proyecto](#).

## **C. Project procurement**

The following is a general description of the procurements to be made for the proposed project.

**Procurement of works:** N/A

**Procurement of goods:** N/A

**Procurement of services other than consulting services:**

**Services to conduct a follow-up survey to measure program impact** with the contract estimated to cost US\$800,000. The process will use quality and cost-based selection (QCBS). It is expected to be awarded during the last quarter of 2008.

**Services to pay the subsidies.** At present, the bank commission amounts to approximately US\$2.00 per transaction, which means that about US\$20 million a year is paid in commissions. These banks have been processing payments to beneficiaries since 2001, contracted with foreign credit from both the IDB and the World Bank. The contracts will be extended during the present operation. However, the government has expressed an interest in seeking formulas to reduce the cost of the commissions paid to private banks. It has been determined that a more efficient and economical way of paying for the service provided by the banks would be through a mixed model that includes payment of a commission and a reciprocity component (deposit of the funds in the intermediary banks for a given period of time prior to paying them out). An international competitive bid will be held to award the contracts by lots that would group together the large and mid-sized cities with municipalities where there are no banks, for the purpose

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<sup>1</sup> The number of months of execution is counted from the date of publication of the general procurement notice or the first specific procurement notice published after the loan is approved, whichever comes first.

of interesting banks in paying the subsidies in the latter municipalities. It is expected that this contract will be awarded in mid-2008.

**Procurement of consulting services:**

**External services to audit operations** (including spot-checks every four months) and financial statements for the first year of the program, for an estimated US\$300,000. QCBS will be used, with the possibility of the natural continuity of the services. It is expected that this contract will be awarded and executed during the first four months of 2008.

**Contracting of services to analyze the baseline and evaluate program impact**, for an estimated US\$400,000. The process will use QCBS and it is expected that the contract will be awarded during the first four months of 2008.

**Operating costs:** N/A

**Other:** N/A

**Early contracting and retroactive financing:** N/A

**D. Review of contracts by the Bank**

Given the estimated amounts of the contracts and their implications for attaining and measuring the development objectives, all contracting processes will be reviewed ex ante by the Bank.

**E. National preference:** N/A

## **APPENDIX 1 PROCUREMENT PLAN<sup>2</sup>**

**Country:** Colombia

**Executing agency:** Agencia Presidencial para la Acción Social y la Cooperación Internacional [Presidential Agency for Social Action and International Cooperation]

**Project name:** Multiphase program to support expansion of the Familias en Acción program

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**Estimated date of approval by the Board of Executive Directors:** November 2007

**Estimated date of contract signature:** December 2007

**Estimated date of the final disbursement:** December 2009

**Address of the office responsible for the procurement plan:**

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<sup>2</sup> All contracts under this project should be included even if not financed by the Bank, indicating the source of financing.

Ref. No.	Description and estimated cost	Procurement method <sup>3</sup>	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (Yes/No)	Estimated dates		Status (pending/under way/awarded/cancelled)	Comments
				IDB %	Local / other %		Publication specific procurement notice	Contract completion		
	<b>1. Consulting services</b>									
1.1	External auditing services for operations (including spot checks every four months) and financial statements for year one  Estimated cost: US\$300,000	QCBS	Ex ante	100	0	No	February 2008	February 2009	Pending	Natural continuation of the services
1.2	Services to analyze the baseline and evaluate program impact  Estimated cost: US\$400,000	QCBS	Ex ante	100	0	No	February 2007	October 2009	Pending	
	<b>2. Services other than consulting services</b>									
2.1	Services to conduct a follow-up survey to measure program impact  Estimated cost: US\$800,000	ICB	Ex Ante	100	0	No	November 2008	April 2009	Pending	

<sup>3</sup> QCBS: Quality and cost-based selection; ICB – International competitive bidding

[illegible]

## **APPENDIX 2**

### **CAPACITY OF THE EXECUTING AGENCY AND BANK SUPERVISION OF PROCUREMENTS**

#### **Evaluation of the procurement capacity of the executing agency**

The Contracts and Payments Area of Acción Social will be responsible for making the procurements. The Bank evaluated the procurement capacity of the executing agencies and determined that the total project risk associated with procurements is low.

No major shortcomings were identified and no corrective actions were called for.

#### **Frequency of procurement supervision**

Given the estimated amounts of the contracts and their implications for attaining and measuring the development objectives, all contracting processes will be reviewed ex ante by the Bank.