

TC Document

I. Basic Information for TC

▪ Country/Region:	COLOMBIA
▪ TC Name:	Sandbox: Developing creative talent to diversify job opportunities in Colombia
▪ TC Number:	CO-T1668
▪ Team Leader/Members:	Fernandez Coto, Raquel Auxiliadora (SCL/EDU) Team Leader; Acevedo Calle, Daniela (LEG/SGO); Blasco, Ivana (SCL/EDU); Eckardt, Mario (SCL/LMK); Emilio Laguillo (SCL/EDU); Kim, Romina (ORP/GCM); Lim, Jungkyu Rhys (SCL/EDU); Lima De Moraes, Vitoria (ORP/REM); Luzardo Gutierrez, Alejandra A. (KIC/ICD); Maragall, Juan Ernesto (SCL/EDU); Mendoza Centellas, Mariana Beatriz (ORP/GCM); Prada Patino, Maria Fernanda (SCL/EDU); Serrano Pajaro, Liliana (SCL/EDU)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Client Support
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	.
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Republic of Colombia through its Ministry of Culture
▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {If Bank: Contracting entity} {If the same as Beneficiary, please indicate}	Inter-American Development Bank
▪ Donors providing funding (amount and Fund's name):	Cofinancing Special Grants(COF)
▪ IDB Funding Requested ¹ :	US\$300,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	March 2022
▪ Types of consultants (firm or individual consultants):	Firms and individuals
▪ Prepared by Unit:	SCL/EDU-Education
▪ Unit of Disbursement Responsibility:	SCL/EDU-Education
▪ TC Included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Social inclusion and equality

II. Objectives and Justification

¹ These funds will be administered by the IDB through a Project-Specific Grant (PSG). Netflix Inc. will contribute US\$300,000.00.

- 2.1 The audiovisual industry² has experienced significant growth during the last 5 years in Latin America and the Caribbean. In 2019 alone, an estimated US\$5.7 billion were invested in audiovisual productions, driving the creation of more than 1.6 million direct and indirect jobs, according to a study by Olsberg SPI.³ Since then, the COVID-19 crisis has positively impacted the industry, leading to an increase in demand for audiovisual content through new forms of content delivery including streaming. Along these lines, the industry's transformation is being heavily influenced by increasing digitalization, opening up possibilities for new job functions⁴, particularly relevant for young "digital natives".⁵ All of these dynamics, therefore, represent a golden opportunity for the economic reactivation of countries in the region through the integration of young people into the labor market.
- 2.2 Particularly in Colombia, the audiovisual industry has developed substantially in recent years and is expected to continue expanding. It went from releasing 18 national films in 2011 to 37 in 2018. Additionally, the export of audiovisual and related services grew at an average rate of 20% annually between 2013 and 2018, resulting in US\$48.2 million of exports in 2018, positioning Colombia as the fourth highest exporter in Latin America and the Caribbean.⁶ In terms of employment, in 2019, the industry provided jobs to 71,702 people.⁷ This number is expected to increase considerably as Colombia is projected to reach 1% of the audiovisual market globally in the next five years.⁸ Due to these trends, Colombia has identified the industry as a generator of opportunities for its youth (18 to 30 years), who currently represent approximately 22% of the population (11 million) and who are suffering from an increased unemployment rate of 15% in 2021 compared to 12% previous to the COVID-19 crisis in 2018.⁹
- 2.3 The development of the industry, along with the economic opportunities it has generated, has been unequally distributed. Out of the total number of persons employed in 2019, 27.6% is concentrated in Bogotá D.C.; 11.2% in Medellín and its Metropolitan Area (MA); 7.6% in Cali and its MA; 6% in Barranquilla and its MA and 6% in Bucaramanga,¹⁰ all cities in departments below the national multidimensional poverty average.¹¹ In terms of labor participation by gender in the audiovisual sector, only 29.5% are women compared to 70.5% of men.¹² With respect to participation of Afro Colombian and Indigenous communities in the industry, it is noteworthy that 18 years after Law 814 of 2003 (Film Law) came into effect, only two feature film directors – Janer Mena and Jhonny Hendrix Hinestroza – are Afro Colombian and that there are few black or indigenous protagonists in broadcast television despite the fact that more than 4 million people recognize themselves as afro or indigenous.¹³ Including

² Includes radio, television, cinema, and video.

³ Global Screen Production- The Impact of Film and Television Production on Economic Recovery from COVID-19 (25 June 2020).

⁴ These include for example the development of technologies that incorporate 3D and virtual reality; composition of digital videos using video, photography, static images, text, 2D and 3D images; creation of apps for editing on set and in postproduction; and use of artificial intelligence to identify the tastes and needs of different audiences.

⁵ Olavarría, Diego; Luzardo, Alejandra; Mateo-Berganza Díaz, María Mercedes, "Behind the Camera: Creativity and Investment for Latin America and the Caribbean Learnings from Conversations with Key Players in the Audiovisual Sector" BID (2021).

⁶ Idem, pg. 29

⁷ DANE. Gran Encuesta Integrada de Hogares (GEIH), 2019.

⁸ Olavarría et al (2021).

⁹ GEIH, 2018 y 2021.

¹⁰ GEIH, 2019.

¹¹ DANE. Encuesta de Calidad de Vida ECV 2019-2020.

¹² Herrera Kit, Patricia y Pardo, Jesús. La participación de las mujeres en el sector cultura en Colombia, pág. 152. Borrador.

¹³ <https://manosvisibles.org>

these and other populations within the entertainment wave is therefore essential for Colombia to reap its benefits.

- 2.4 Recognizing the audiovisual industry as a catalyst for economic growth, inclusion and social transformation at the territorial level, the Government of Colombia has placed it at the center of its development strategy. The National Development Plan 2018-2022 establishes, for example, a series of strategies for the strengthening and consolidation of the cultural and creative industries, otherwise called the Orange Economy. Moreover, Film Industry Laws like Law 814 of 2003, Law 1556 of 2012, Law 1834 of 2017, and documents approved by the *Consejos Nacionales de Política Económica y Social* (CONPES 3162 from 2002 and 3859 from 2010) have provided a regulatory framework to strengthen the audiovisual sector. Additionally, Law 1556 from 2021 has established incentives for the film industry in the form of cash rebates, which provide reimbursements of 40% of the expenses incurred by production companies on national pre-production, production, and post-production services, as well as 20% of logistical expenses. Finally, the Ministry of Culture, as per Decrees 2020 of 2018 and 692 of 2020, has been given the responsibility of supporting the identification of skills gaps for the development of the audiovisual sector and advising competent education and training institutions for the closing of those gaps.
- 2.5 Such strong national political commitment, in addition to the industry's tremendous growth potential, has led important actors in the sector, such as Netflix, to have a special interest in Colombia. Between 2014 and 2021, Netflix has invested more than US\$175 million in the production of audiovisual products in Colombia and plans to produce 30 new series, films, documentaries, and local specials between 2021 and 2022.¹⁴ Furthermore, in 2021, the President of the Republic of Colombia, Iván Duque, celebrated Netflix's announcement to open several offices in the country, a recognition of the country's creative potential.¹⁵
- 2.6 Despite these promising developments, the audiovisual industry in Colombia faces challenges with regards to the human capital available to successfully fill job vacancies. A study by the Ministry of Culture and the Ministry of Labor completed in 2020 identifies 75 positions, including key below-the-line¹⁶, entry-level positions for which there is limited availability of qualified personnel. These include, among others, Production Assistant, Lighting Technician, Sound Technician, Sound Recording Operator, Camera Assistant, Wardrobe Assistant, Makeup Artist, Radio Technician, Announcer, and Broadcaster.¹⁷ More specifically, according to the report, the industry must strengthen efforts to inspire young people to become interested in the sector through communications campaigns and spaces for young persons to explore their creativity hands-on.
- 2.7 Regarding the need to strengthen efforts to elevate the social value of the creative industries, the Ministry of Culture and the National Learning Service (Servicio Nacional de Aprendizaje – SENA) have implemented several initiatives to do so at the regional level. For example, they have organized workshops in several cities in various

¹⁴ A few of these include *Ritmo Salvaje*, *Juanpis*, *Nada es Igual*, *Goles en Contra*, *Pálpito*, *Perfil Falso*, *Diomedes*, and a series starring *Alejandra Azcárate*. Olavarría et al (2021).

¹⁵ SEMANA (2021). [Duque: “Oficina de Netflix en Colombia es un paso para convertirnos en el Silicon Valley de América Latina” \(semana.com\)](https://www.semana.com/tecnologia/articulo/oficina-de-netflix-en-colombia-es-un-paso-para-convertirnos-en-el-silicon-valley-de-america-latina/504797).

¹⁶ Below-the-line positions refer to those that require technical skills – as opposed to artistic skills - including numerous jobs related to sound, make-up, art direction, animation, post-production, construction, script supervision, among others.

¹⁷ Ministerio de Cultura y Ministerio del Trabajo. *Identificación y medición de brechas de capital humano del sector Audiovisual*. Economía Naranja. Julio 2020.

departments (Caquetá, San Andrés, Chocó, and Sucre) to teach young persons about the development of audiovisual projects. SENA has also created the “Cinema to SENA” strategy through which it has recorded 30 workshops in 6 areas of the film industry (illumination, camera operator, camera assistance, sound, field production, and scenographic assembly) to strengthen its technical and technological offer.¹⁸ Despite these efforts, more outreach is needed to raise awareness about the prospects of successful careers in the creative sector, particularly at the territorial level and especially among youth who might not yet be enrolled in SENA or other formal training in the audiovisual sector.

- 2.8 **Objective:** The objective of this non-reimbursable TC is to provide support to vulnerable young people in Colombia to gain access to opportunities in the expanding audiovisual industry, leveraging the industry's potential to generate jobs. This will be accomplished through the design and implementation of a 'Sandbox'¹⁹-audiovisual pilot program that will help consolidate the sector's ecosystem in Colombia.
- 2.9 **Specific Objectives:** The specific objective of this TC is to make visible the social and economic value of careers in the cultural and creative industries to vulnerable youth, inspiring them to actively explore training and career opportunities in the audiovisual sector in Colombia. It is expected that additional financing will be allocated in the near future to expand the TC's impact through subsequent phases of the project. These phases will benefit selected beneficiaries through the provision of technical and 21st century skills training opportunities via edtech platforms, on-the-job training, internships in local audiovisual productions, and mentoring and support to enter the audiovisual sector. Resources will also cover costs for the intervention's evaluation.
- 2.10 **Alignment:** This TC is aligned with IDB's 2025 vision to improve the strategic goal of “Promote social progress” by improving workers' access to good-quality employment and relevant learning and training opportunities tailored to expand skills and diversify job opportunities for all population groups. This TC is also consistent with the 2020-2023 Institutional Strategy Update (AB-3190-2) through the development challenges of: (i) social inclusion and (ii) productivity and innovation, as it will help facilitate the conditions for populations that have typically been excluded from the audiovisual sector to have their voices heard and to benefit from the sector's employment potential. Furthermore, it is consistent with the IDB Group Country Strategy with Colombia 2019-2022 (GN-2972) in its strategic areas of (i) economic productivity and (ii) social mobility and consolidation of the middle class as well as with the crosscutting theme of gender, diversity, and disability as it contributes to the goal of achieving quality education and prioritizing the most vulnerable segments of the population. Additionally, the project will contribute to the Corporate Results Framework (CRF) (GN-2727-12) since it seeks to improve indicator #7 “beneficiaries of employment support initiatives”. This project is also congruous with the Employment Action Framework with a Gender Perspective (GN-3057), as it supports human talent development by motivating vulnerable youth to work in jobs created in emerging sectors and supporting them to transition into the labor market, mitigating the negative effects of COVID-19 on future generations of workers. It is consistent with the Bank's Skills Development Sector Framework Document (GN-3012-3), particularly with line of action 1 of “ensuring access to high-quality and relevant learning opportunities throughout life” given its focus on providing opportunities for active, hands-on learning to motivate youth to explore their creative

¹⁸ <https://www.sena.edu.co/es-co/Noticias/Paginas/noticia.aspx?IdNoticia=4492>

¹⁹ Sandboxes are spaces for exploration and creativity in which incumbent and entrant businesses can test innovations without having to comply with the regulatory conditions imposed on traditional products or services.

potential for the audiovisual sector. Finally, this TC is closely aligned with Colombia's National Development Plan in its crosscutting lines of (i) orange economy and culture, (ii) equality for women, (iii) ethnic groups, and (iv) regional emphasis.

III. Description of activities/components and budget

- 3.1 **Component 1. Lights! (US\$285,000)** Through an immersive 2-3 day hybrid virtual and/or in-person experience, approximately 1,500 vulnerable youth (18-30 years) from the departments of Chocó, Caquetá, San Andrés, Sucre, and Cauca²⁰ will be simultaneously exposed to the audiovisual industry through structured talks and workshops led by both national and international speakers/personalities – including Netflix representatives and its partners - followed by an opportunity to work hands-on and collaboratively on a specific project that will later result in a final pitch. Industry judges will then select 750 winners to continue to the subsequent phases of the project.²¹ The component will finance a consultancy to lead this effort, including the identification and coordination of speakers jointly with Netflix, the Ministry of Culture, SENA, and the IDB; curation of contents; development of the event's methodology; communications, and logistics to coordinate transportation, lodging, and meals for participants. SENA will provide the infrastructure necessary at the regional level to host the youth.²² The call for participation in the program will include inclusive gender-balanced messaging and specific messaging to attract vulnerable and excluded populations due to socioeconomic or ethnic (afro, indigenous) conditions. The talks, workshops, and communication materials will also promote the amplification of diverse voices in the industry and combat gender stereotypes. Prior to the event, the component will also finance a consultancy with the Colombian Academy of Motion Picture Arts and Sciences to map entry level positions in the industry, skills needs, career trajectories, and current training and certification offers.

Indicative Budget²³

Activity/Component	Netflix PSG Funding	Total Funding
Component 1. Lights!	\$285,000	\$285,000
PSG Administration Fee	\$15,000	\$15,000
Total	\$300,000	\$300,000

- 3.2 Netflix expects to commit US\$300,000 to this project.

²⁰ These departments have been selected by the Ministry of Culture due to their sociodemographic characteristics including poverty levels (all of them above the national average in the Multidimensional Poverty Index) and the presence of afro (Chocó, Sucre, San Andrés) and indigenous (Caquetá and Cauca) communities. Depending on participant demand, other departments may be selected during project execution.

²¹ Students who are not selected will be offered alternative options to continue their training through free courses offered by SENA. Subsequent phases will be financed through additional IDB resources that are in the process of being approved.

²² This collaboration will be materialized through a binding Memorandum of Understanding (MoU) between SENA, the Bank, and the Ministry of Culture.

²³ In addition to the Netflix PSG contribution, the Bank is currently in the process of approving US\$750,000 to provide selected beneficiaries with technical and 21st century skills training opportunities through edtech platforms, on-the-job training, and internships in local audiovisual productions. These resources will also cover the design and implementation of a mentoring and support program and an evaluation to measure the project's impact on learning and ultimately in continued education or labor market insertion of project beneficiaries.

- 3.3 Resources of this project to be received from Netflix through a Project Specific Grant (PSG). A PSG is administered by the Bank according to the “Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSGs)” (Document SC-114). As contemplated in these procedures, the commitment by Netflix will be established through a separate Administration Agreement. Under such agreement, the resources for this project will be administered by the Bank and the Bank will charge a non-refundable administration fee of 5% of the contribution, which is identified in the budget of this project. The 5% administration fee will be charged upon the Bank’s receipt of the contribution.

IV. Executing agency and execution structure

- 4.1 As requested by the Government of Colombia, and in accordance with TC guidelines (GN-2629-1), this TC will be executed by the IDB. In accordance with Annex II of OP-619-4, this is justified by the fact that the Bank has a team of specialists both in education and training and in the creative and cultural industries who have led projects in the audiovisual sector, that can provide technical support during project execution. Moreover, given that there will be a change in Government in Colombia in 2022, the Bank’s execution of this TC will help mitigate the risk of delays that could jeopardize the achievement of its objectives, providing continuity to project activities. Finally, given the wide variety of stakeholders from both the public and private sectors involved in the project, the Bank can help ensure the project’s technical independence and impartiality. All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and (c) GN-2303-28 for logistics and other related services. The Bank will be the owner of the intellectual property rights deriving from all knowledge products resulting from this project.
- 4.2 The Ministry of Culture has been given the responsibility of supporting the identification of skills gaps for the development of the audiovisual sector and advising competent education and training institutions for the closing of those gaps. In coordination with SENA and industry players, it promotes initiatives that contribute to this objective. To ensure the successful execution of the project, the IDB will closely coordinate with representatives from the Ministry of Culture, SENA, Netflix, and other key stakeholders as identified to provide technical and methodological advice, and to define the scope, impact, implementation and monitoring of the TC’s activities. Memorandums of Understanding (MOUs) will be developed between the Ministry of Culture, the Bank, and relevant partner institutions to specify their roles, responsibilities, and contributions to the project.
- 4.3 As per GN-2765-4, the single source selection of the ACCAC is justified as it is the only firm qualified for the assignment and presents no competition. The ACCAC is the only entity in the audiovisual sector in Colombia that brings together more than 500 professionals in 14 different specializations and that is recognized by the Ibero-American Federation of Academies of Motion Picture Arts and Sciences (FIACINE), a non-profit organization that brings together the Academies of Motion Picture Arts and Sciences of the region. Since its foundation in 2009, it has worked to strengthen the audiovisual sector in the areas of research, promotion, and training.

- 4.4 The Bank project team will be responsible for the preparation and submission to Netflix of the interim and final reporting as agreed in the Administration Agreement, and for ensuring that funds are used in compliance with the stipulations of the Administration Agreement. If at the end of project execution, the project was closed with a positive uncommitted and unspent balance, the project team will be responsible for informing ORP/GCM to transfer the unspent balance as agreed to by the donor and the Bank pursuant to the terms of the PSG Administration Agreement.

V. Major issues

- 5.1 Potential delays may occur in the project's execution due to two main reasons: i) a change in government administration in the second semester of 2022 given the presidential election to take place the 29th of May 2022, and ii) restrictions because of the continuation of the COVID-19 pandemic that may limit the possibility of in-person project activities to take place. To mitigate the risks associated with the first factor and provide continuity to the TC's activities, the Government of Colombia has requested that the IDB be the executing agency. Additionally, a technical Task Force will be created with the different stakeholders involved in the project – including Netflix and other private sector actors - to provide technical inputs and monitoring support. As far as the second factor, alternative strategies to engage vulnerable youth would have to be implemented, but it is expected that the project's impact would be significantly reduced.

VI. Environmental and Social Strategy

- 6.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Request from the Client - CO-T1668](#)

[Results Matrix - CO-T1668](#)

[Terms of Reference - CO-T1668](#)

[Procurement Plan - CO-T1668](#)