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DONORS PROJECT MEMORANDUM

COUNTRY: COLOMBIA

EXECUTIVE SUMMARY

PROJECT NAME: Strengthening Non-Governmental Organizations (NGOs) to Provide Training and Services to Displaced Workers

PROJECT NUMBER: TC-9308091

EXECUTING AGENT: Colombian Confederation of Non-Governmental Organizations (CCONG) (principal executor); Carvajal Foundation; other designated NGOs (through subcontracting)

PROJECT AMOUNT: US\$ 1,703,000 MIF
US\$ 681,855 Local

MIF FACILITY: Human Resources (Facility II)

OBJECTIVE: To help reduce the social costs of economic reforms and increase labor market reinsertion of displaced workers by strengthening the quality, efficiency, and capacity of local, private sector institutions to provide retraining and support services to displaced workers.

DESCRIPTION: The project will include two subprograms: 1) **Curriculum Development and Implementation** which develops demand-driven training curriculums in workplace and technical skills, trains trainers, and provides technical assistance to 40 beneficiary NGOs in these new training methods; 2) **Traineeships in Firms** which provides 500 displaced workers with short-term training and a traineeship in private firms. Subprogram 2 would be pilot in nature, demonstrating its feasibility as the basis for a more expanded program of traineeships in the future.

The principal executing agency, CCONG, would create a Coordinating Unit (CU), and would assume responsibility for coordinating, promoting, and monitoring the program. The program would utilize the specific technical expertise of previously designated NGOs to carry out the technical and evaluation components of the program. The Carvajal Foundation will be responsible for the execution of Subprogram 1. The Corporation for Technological and Socio-Economic Investigation (CINSET) will execute Subprogram 2, subcontracted through CCONG. The program activities would be executed over two

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years, with an additional six months for ex-post evaluation.

The project contains a number of innovative features in that it seeks to introduce demand-based curriculums and modalities of training into the current retraining market; strengthen cooperation and coordination among leading NGOs to expand their limited participation in displaced worker programs; and contribute in the long-term to an increased supply of retraining and services for displaced workers by private sector institutions.

Although the inclusion of a number of NGOs is a strength in terms of achieving the project's objectives, it will likely present additional complexity in supervising execution. Included in the project are additional consultancy services to support the Bank's Field Office in the execution of the project.

CLASSIFICATION: The Environment Committee classified the project as Category II on March 22, 1994.

MODALITY: Grant.

PROJECT TEAM: Jacqueline Mazza, PRE/MIF; Paul Mungra, OPS/OD8; Juvenal Mesa OPS/FCO; and Eduardo Martínez (consultant).

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I. COUNTRY ELIGIBILITY

- 1.1 Colombia was declared eligible for all modalities of financing under the Multilateral Investment Fund by the Donors Committee on October 29, 1993 based on a Memorandum of Eligibility prepared by the Bank.

II. BACKGROUND

- 2.1 **Macroeconomic Adjustment and Impact on Employment.** Through its recent measures to open the economy to international competition and rationalize state government, Colombia is undergoing an important restructuring of its private and public sector workforce. The Colombian government has scheduled the termination of over 30,000 government employees from over 35 state companies and ministries. To date, 17,977 have been terminated from government service with another 10,000 identified and scheduled to be laid off in 1994-95. Additional public sector layoffs are anticipated at the municipal and state levels and federal layoffs could rise from the 10,000 scheduled to as high as 20,000. Private sector restructuring to date has been more limited. Nonetheless, 102 firms have requested permission from the government to lay off workers (firm size ranges from 10-600 employees). Further rationalization is expected in the sectors most affected by international competition such as paper, textiles, and leather.
- 2.2 **Colombia Labor Adjustment System.** The Colombia government has created programs to deal directly with labor adjustment modelled after the successful Canadian Industrial Adjustment Service (IAS). The Colombian system, known as SALI, is a decentralized model composed of committees (Comités de Adaptación Laboral - or CALs) at the level of a firm or within government ministries which create specific plans to secure alternative employment or retraining for workers. The Labor Adjustment Committees or CALs assess individual worker needs and contract services to enable the worker to undertake one of three options: search for new employment, undertake retraining to become qualified for a new job, or start their own business. Funds are provided by the government or private sector to each of the CALs to provide for worker retraining and reemployment. Both private sector and national government sector employees are covered under the SALI system, with the private sector system beginning first in 1992.
- 2.3 **Training Programs for Displaced Workers.** The Government's National Training Institute, SENA, offers training courses to displaced workers, provides technical assistance to the adjustment committees, and administers an employment information service. SENA's principal mission is the training of younger individuals for work in medium and large-sized businesses.
- 2.4 There have been a number of constraints in utilizing SENA's programs for displaced workers: many displaced workers do not meet the age requirements of SENA courses (many times, a maximum age of 26) or the educational

prerequisites; places are limited in SENA courses and many courses are not applicable for older workers with long histories of previous employment. Estimates indicate that displaced, state workers are principally older workers: 65% are over 41; 30% between 30 and 40; more than one-half have incomes below the level of two minimum salaries (\$200/month), and approximately 23% are women. What is needed for many displaced workers in Colombia is more flexible training, in terms of hours and content, training more closely tailored to the needs of adult, experienced workers, and training that responds more directly to local private sector demand.

- 2.5 Recognizing that non-governmental organizations and the private sector in Colombia could provide services more tailored to displaced workers and to local labor market needs, a "support network" was created in the fall of 1993 formally enlisting NGOs to provide the training and services that the CALs require. Non-governmental organizations, some for-profit and others non-profit, present a number of distinct advantages relative to the public sector programs: NGOs have greater flexibility in the range, hours, and types of courses which are offered; many have experience dealing with training in firms, training of adults, and combined training and credit programs for microbusinesses; they also have capabilities of tailoring programs to local labor market needs.
- 2.6 Over 45 non-governmental and private sector entities have formally joined the support network, these include many of the larger, more experienced NGOs in the country, such as the Carvajal Foundation. Many of these NGOs are directly affiliated with private sector organizations and have close ties to employers. The Colombian Confederation of Non-Governmental Organizations (CCONG), a non-profit organization representing over 2,500 NGOs in all regions of the country has supported the creation of the network and undertaken specific studies of labor market demand for displaced workers.
- 2.7 The Government has allocated funds to the CALs to contract retraining and services from NGOs. To date, however, overall NGO participation in the system has been more limited than had been originally hoped -- only 11 NGOs are providing any kind of services for displaced workers. A number of factors are currently constraining the participation of NGOs: (i) Lack of information about the existing program and emerging market for NGOs in training and services for displaced workers. This includes poor communication and market linkages between local demanders of services -- public and private sector CALs and entities -- and NGO suppliers and (ii) Lack of technical expertise on the part of smaller, regional NGOs for training in this area as well as limited information about successful retraining methods and experiences.
- 2.8 **Assistance from Multilateral Development Agencies.** The project proposed for MIF financing would seek to increase the quality and quantity of NGO participation in labor adjustment programs in Colombia. It is designed and intended to complement earlier activities undertaken by the World

Bank. In 1992, the World Bank approved \$5 million in technical assistance for the creation of the private sector adjustment service and the partial payment of training costs of displaced private sector employees. Less than one-third has been disbursed, the principle reason being, according to World Bank officials, administrative delays and difficulties on the part of SENA. World Bank assistance is only for administrative operations of the SALI system and partial training costs of private sector employees. The Colombian government pays the training costs for public sector employees. The MIF-sponsored program is distinct in that it seeks to improve the non-governmental provision of retraining and services, a separate function needed for the labor adjustment service to function efficiently and effectively. World Bank and MIF assistance are thus complementary in supporting different and essential elements of the Colombian labor adjustment system.

III. THE PROJECT

A. OBJECTIVES

- 3.1 The general objective of the project is to help reduce the social costs of economic reforms by improving the quality and rates of reinsertion of displaced workers into the private sector economy.
- 3.2 The specific objective of this program is to strengthen the quality, efficiency, and capacity of local, non-governmental institutions to provide retraining and support services to displaced workers. The project addresses two principal constraints to expanded NGO participation: the lack of information about demand and supply for displaced worker services and limited technical expertise on the part of NGOs to respond to this demand.
- 3.3 The expected results of the project include: (i) expanding the number of NGOs participating in displaced worker training and services by approximately 40 (from 11 to 51); (ii) increasing the rates of labor market insertion and other indicators of improved quality of service; and (iii) expanding the number of workers served by NGOs to 5,000 workers (about one-third of the market for displaced workers).

B. PROJECT DESCRIPTION AND OVERVIEW

- 3.4 The project would be composed of two subprograms. The first and largest would be **Subprogram 1: Curriculum Development and Implementation**. This subprogram would develop new training curriculums in general and technical skills, train trainers in selected NGOs, and provide technical assistance in the implementation of displaced worker programs. **Subprogram 2: Training in Firms** would be a pilot program to provide traineeships in private firms for displaced workers.
- 3.5 The program is intended to increase the supply of displaced worker

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training and services to meet the current and anticipated demand by the private and public sectors. As a result, the beneficiaries of the project include the participating NGOs (as new suppliers), the private sector (as both suppliers and demanders), and displaced workers as recipients of NGO services. In all aspects of the project, NGOs are to work directly with the private sector. The curriculum development and implementation subprogram will be developed with private sector input and demand studies. Traineeships in firms will be developed on the basis of identified private sector demand.

- 3.6 In each of the two subprograms, selection criteria will be established both to improve the effectiveness of the program and to assure that benefits are equitably distributed in terms of regional diversity, gender, and low-income populations.
- 3.7 A Coordinating Unit (CU) will be established in the Colombian Confederation of NonGovernmental Organizations (CCONG) to supervise and coordinate the program. The CCONG has been chosen because of its extensive contacts among NGOs; it contains the largest network of NGOs in Colombia -- over 2,500 NGO members and 20 regional Federation offices. The CU would be responsible for: (i) overall management and coordination of the program; (ii) promotion and dissemination of the products of the program; and (iii) monitoring and evaluation of the project. The Carvajal Foundation would be responsible for the execution of Subprogram 1 and CINSET for Subprogram 2 both under the coordination of the CU.

Subprogram 1: Curriculum Development and Implementation

- 3.8 **Objective.** This subprogram would develop new training materials and methodologies for displaced workers which respond to private sector demand for skills, and would provide training and technical assistance in the application of these curricular methods.
- 3.9 **Expected Results.** Forty non-governmental organizations in Colombia will provide training and services to an estimated 5,000 workers displaced from the public and private sectors and a significant share, larger than current rates, will be placed in jobs in the private sector.
- 3.10 **Description.** There would be two main areas of activity: curriculum development and training of trainers.

(i) Curriculum development. Two sets of training curriculums will be designed: a set of training modules for general work skills relevant to displaced workers; and a set of technical skills modules in areas of identified private sector demand which are relevant to adult, experienced workers. The modules will be developed in a flexible manner for adaptation and use by a variety of NGOs. A private sector demand analysis will be conducted to identify the technical skills which are in demand (potential areas include: accounting, agriculture, construction, auto

mechanics, and industrial mechanics in specific regions). The analysis will continue during the project on the basis of information collected by the monitoring entity, and will be used to adjust the program within certain limits.

(ii) Training of trainers and technical assistance. Using the new training materials mentioned above, 120 NGO trainers will be trained in NGO facilities in 17 programs operating in selected regions with high demand (12) and in Santa Fé de Bogotá (5). Follow-up technical assistance will be provided to each of the beneficiary NGOs to assist them in the application of the new training curriculums.

- 3.11 **Selection Criteria for NGO Participants.** Beneficiary NGOs will be selected on a competitive basis, using criteria which include their capacity to undertake demand-driven displaced worker programs; operations in areas with significant displaced worker populations; existing/potential linkages with private sector employers; and commitment/ability to reach specific target populations (specifically, displaced workers who are female, who reside in high demand regions, and/or who are from low-income households). Annex IV provides a list of potential participating NGOs from a recent survey. As a condition for initiating this subprogram, the Carvajal Foundation will submit the proposed selection criteria and evaluation process for selecting beneficiary NGOs for Bank approval.
- 3.12 **Executing/Collaborating Organizations.** This subprogram would be executed by the Carvajal Foundation under the coordination of the Coordinating Unit. Because the Carvajal Foundation has extensive experience in training programs and in working with other NGOs, assigning them execution responsibilities for this subprogram will speed and simplify program execution. Carvajal will draw on the specific expertise of other NGOs in psychological training and industrial training of displaced workers in carrying out the subprogram. Three NGOs have been identified on the basis of their experience and expertise to assist Carvajal in this subprogram; they are FUNDAEMPRESA-Bogotá, Foundation for the Promotion of the Technological and Scientific Investigation (FICITEC) and Foundation Neo-Humanista. Carvajal will subcontract these organizations but will retain technical responsibility for the execution of all the functions of the subprogram.

Subprogram 2: Traineeships in Firms

- 3.13 **Objective.** This subprogram will establish a pilot program to support practical, short-term training and firm-based traineeships for displaced workers in order to facilitate their finding employment in the private sector.
- 3.14 **Expected Results.** Five hundred displaced workers, of lower professional qualifications in five regions where private sector demand for traineeships is highest, will receive training to upgrade their skills and

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increase their likelihood of finding new employment.

- 3.15 **Description.** This subprogram would include three principle activities: short-term training, traineeships, and the creation of an information data-base: (i) short-term training of displaced workers will be conducted to update critical skills which are prerequisites for undertaking a traineeship in a private firm ("pre-qualification" training). In some cases, these courses will be offered in conjunction with the traineeship to maximize its benefit; (ii) traineeships in private firms will be offered to these displaced workers. Trainees would have a legal traineeship contract of not more than two months for which they will be paid at least the minimum wage; and (iii) an information-data base of potential private sector traineeships will be developed to assist matching between available positions and displaced workers.
- 3.16 **Selection Criteria of Trainees.** This subprogram will focus on traineeships in specific occupations where private sector demand has been identified as strongest. Two potential areas applicable to displaced workers have been previously identified through employer surveys: (1) auxiliary office workers who need basic training to operate computers and new office equipment; and, (2) retail or wholesale sales workers. The program will develop a data base of an estimated 1,500 firms and their specific labor requirements.
- 3.17 For these traineeships, the program will target a relatively more vulnerable segment of the displaced work force, namely those with some secondary education. These workers can face greater difficulties in finding new employment in a changing market than either the highly skilled or unskilled. This subprogram would utilize the profiles of displaced workers provided by the SALI program to help identify and screen potential trainees. Beneficiaries will be selected based on criteria to ensure regional diversity and high participation rates for women and low-income populations. In each of five regional offices of the Association of Small and Medium Industries (ACOPI) where demand for trainees has been identified as highest, a counselor will match selected displaced workers with trainee positions offered in the private sector. The regional counselor will also provide follow-up assistance for the traineeships.
- 3.18 **Executing Organization.** The CCONG will execute this subprogram through subcontracting to the Corporation for the Technological and Socioeconomic Investigation (CINSET). CINSET will undertake subprogram operations with coordination and oversight by CCONG. CINSET will provide the short-term training and screen and place workers in traineeships with the support of the regional offices of the Association of Small and Medium Industries (ACOPI) in each of the five cities under the program. CINSET will contact the employers using the ACOPI network and oversee the implementation of the traineeship. CINSET has been chosen for this role because of its experience in training at the small and medium business level, its existing links to small and medium-sized companies, in particular with the

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ACOPI network, which will facilitate implementation of the subprogram throughout the country.

Support Activities

- 3.19 **Promotion and Information Dissemination.** The CCONG through the Coordinating Unit will be responsible for all promotional activities, including: information/market seminars to encourage greater participation of NGOs in displaced worker programs and bring together regional NGOs with local CALs seeking NGO services to facilitate market contacts; workshops to provide NGOs, beyond the initial 40 organizations, with training in project formulation, dissemination of training modules from Subprogram 1, and instruction on best practice training methods for displaced workers; a documentation center to be established at the CCONG on best practices in displaced worker programs in Colombia and worldwide for use by NGOs; and a communication campaign to promote the program and its products. The Coordinating Unit will hold a final evaluation seminar with all NGOs participating in the program as well as other interested NGOs to disseminate as widely as possible the results of the program.
- 3.20 **Monitoring and Evaluation.** The CCONG will be responsible for subcontracting the Center for Innovation in Management Technology (CITE), associated with the Javeriana University in Santa Fé de Bogotá, to monitor and evaluate the program. CITE has direct experience in monitoring and evaluation programs and data systems in Colombia, has established relationships with participating NGOs and government entities, and can provide outside and objective expertise and input to the Coordinating Unit on the progress of the program.
- 3.21 There will be three phases to analyzing, monitoring, and evaluating the overall program:
- (i) An analysis and evaluation will be conducted to establish the baseline data for the program. Indicators will be established for monitoring the program, prior to the first disbursement and would include: the number and characteristics of NGOs participating in displaced worker programs, the number and type of workers served (by sex, age, income profession, etc.); the regions served; the quality of NGO programs in terms of placing workers in private sector jobs, the income and location of jobs filled; characteristics and location of the displaced worker population. The analysis function will also include labor market data to facilitate implementation of the program including identification of unserved areas of private sector demand that might absorb displaced workers. During execution, periodic reports based on interviews and data collection will provide close monitoring of the execution of the project.
 - (ii) After one year, a mid-term evaluation will measure progress and provide inputs to modifications in executing the program (e.g. to identify

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regions highly underserved or areas where greater promotional efforts are needed).

(iii) Upon completion of the two year execution phase, a final evaluation of the program will determine its socioeconomic impact based on the identified indicators, interviews, and periodic reports.

C. EXECUTION AND COORDINATION

- 3.22 The principal executing agency, the CCONG, would create a Coordinating Unit (CU), and would assume the responsibility for coordinating, promoting, and monitoring the program. To facilitate and ease execution of the more technical subprogram, Carvajal Foundation would be responsible for the execution of Subprogram 1. CCONG will be responsible for all other functions. There will be two legal contracts: one with the Carvajal Foundation for up to \$814,855 to carry out Subprogram 1 and one with the CCONG for up to \$888,145 to carry out Subprogram 2 and all support activities. The CCONG would be responsible for contracting with the two previously-designated NGOs to conduct Subprogram 2 (CINSET) and the monitoring and evaluation activities of the program (CITE). Annex III provides an institutional framework for the program.
- 3.23 **Coordination and Oversight.** The CCONG through the established Coordinating Unit (CU) will be responsible for overall coordination of the project administration of funds and all reports and communications with the Bank. It will process and oversee all disbursement requests.
- 3.24 The CU will be comprised of a Director, technical professional, administrator, secretary and consultants. The Director of the CCONG will also provide assistance in promoting the program among the regional federations. The CU will be supported in the execution of the project by two separate advisory committees. The first of these is an Operational Committee, comprised of the Carvajal Foundation (training), CINSET (traineeships), and CITE (monitoring) which will meet at least once a month to provide input and advice on the overall operation of the program and provide a vehicle to coordinate operations. The second entity will be an Interministerial Advisory Committee comprised of representatives from the National Department of Planning (DNP), SENA, SALI, the private sector, and workers in order to facilitate the coordination of the program with the SALI system, government policy, and private sector restructuring plans.
- 3.25 To facilitate supervision by the Bank of the project, the MIF office in consultation with the Field Office in Colombia has proposed the hiring by the MIF of a human resources consultant to assist the Representation in the supervision of the project. This consultant would work not only on this project, but also on at least two other MIF-II projects in Colombia that are in project development for 1994. The sum of \$46,000 representing one-third time and expenses for a two-year period has been included in the

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project budget for this purpose.

- 3.26 MIF support is intended to be flexible enough to facilitate execution. Modifications to the components of the program could be authorized at the request of the Coordinating Unit following the mid-term evaluation, within the total approved funding of the program. Changes could be authorized by the MIF office upon recommendation of the local consultant hired for supervision.

D. COSTS AND FINANCING

- 3.27 The projected costs for each of the subprograms and activities of the Coordinating Unit are presented below along with estimated counterpart contributions covering human resources, facilities, equipment, traineeships, and other expenses.

PROGRAM BUDGET
(In US\$)

PROGRAM COMPONENT	YEAR 1		YEAR 2		TOTAL	
	MIF	LOCAL	MIF	LOCAL	MIF	LOCAL
SUBPROGRAM 1: Curriculum Dvpt. and Implementation						
2. Personnel and Consultants	62,545	6,230	52,570	5,223	115,115	11,453
3. Curriculum, Training and	281,124	20,847	194,531	6,585	475,655	27,432
6. Administrative Support	128,449	122,494	60,600	101,441	189,049	223,935
98. Contingencies	24,149		10,887		35,036	
Subtotal, Subprogram 1	496,267	149,571	318,588	113,249	814,855	262,820
SUBPROGRAM 2: Training in Firms						
2. Personnel	40,500	13,500	48,600	16,200	89,100	29,700
3. Traineeships/Short T. Training	9,000	88,297	13,500	89,797	22,500	178,094
6. Administrative Expenses	8,250	2,750	4,500	1,500	12,750	4,250
98. Contingencies	3,850		4,440		8,290	
Subtotal, Subprogram 2	61,600	104,547	71,040	107,497	132,640	212,044
COORDINATING UNIT						
A. Coordination and Promotion						
2. Personnel of the Coordinating Unit	80,828	12,000	84,278	12,600	165,106	24,600

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Studies and Services	103,750	30,000	105,475	12,000	209,225	42,000
6. Administrative Support	55,560	21,800	52,000	22,891	107,560	44,691
98. Contingencies	30,592		30,592		61,184	
Subtotal, Coord. and Promotion	270,730	63,800	272,345	47,491	543,075	111,291
B. Monitoring and Evaluation						
2. Personnel	75,200	4,400	55,800	5,400	131,000	9,800
6. Administrative Expenses	42,096	47,680	20,064	38,220	56,160	85,900
98. Contingencies	14,548		10,722		25,270	
Subtotal, Monitoring and Evaluation	131,844	52,080	86,586	43,620	212,430	95,700
TOTAL	960,441	369,998	748,559	311,857	1,703,000	681,855

E. DISBURSEMENTS

- 3.28 A revolving fund in the amount of 10% of the Bank's contribution will be established in accordance with standard Bank procedures.
- 3.29 Prior to first disbursement of the Bank's contribution, the CCONG shall present evidence to the satisfaction of the Bank that the following conditions have been complied with: (i) that the Coordinating Unit has been officially established within the CCONG and assigned the appropriate personnel as previously agreed with the Bank, (see paragraph 3.24), to adequately discharge the assigned functions of project coordination; (ii) that both the Interministerial and operational advisory committees as indicated in paragraph 3.24 have been formally constituted by the competent level of authority with clear delineation of responsibilities and designated members for the corresponding committee, as previously agreed with the Bank.
- 3.30 Prior to the initiation of activities for each subprogram, the Executing Agency shall present to the satisfaction of the Bank; (i) a detailed plan of action, schedule of program activities, and revised budgets for the corresponding subprogram; (ii) the criteria for the selection of the 40 NGOs that will participate in promotion and dissemination activities within Subprogram 1; (iii) the criteria for the selection of beneficiaries for traineeships to be executed in Subprogram 2; and (iv) the criteria and methodology to be used by the Coordinating Unit for monitoring the activities of the program.

IV. VIABILITY AND RISKS

- 4.1 **Strong Institutional Commitment.** The program was designed to include those activities needed to achieve the objectives of the program with adequate flexibility to ensure successful execution. The non-governmental organizations have the human resources, experience, and capacity to carry out this project. The Government has also demonstrated its interest and commitment to participating in and supporting the program. Consideration and identification of private sector demand has been incorporated

throughout program design and execution. The Interministerial Advisory Committee will provide a further mechanism for continued linkage of the project with the public and private sectors.

- 4.2 **Participation of NGOs in Program.** Although the large number of collaborating NGOs is a strength in terms of achieving the objectives of the project, it could present complications in execution. To minimize this risk, the project establishes a strong Coordinating Unit supported by two advisory committees: one interministerial, the other operational. The design also reduced the executing relationships so that the project would be executed through the CCONG with Carvajal Foundation participation as an executing agent of Subprogram 1. These entities will manage contracts with other NGOs but will remain fully responsible for the project. In addition, the MIF office will provide additional consultancy services to provide closer supervision during execution with the support of the Bank's Field Office.
- 4.3 **Capacity of CALs.** A second risk is the varying capacities of the individual CALs within the SALI system. As individual CALs are established or become operational in a public ministry or private firm they may not be consistent in their capability to respond to NGO solicitations. The project will address this risk in a number of ways: (i) through the interministerial committee which provides a channel of communication if certain ministries, CALs, or private sector entities are not responding quickly to NGO requests, or if ministries are not enforcing the current law which gives CALs jurisdiction over their budgets; (ii) through direct regional contacts between CALs and the NGOs; and (iii) through providing a number of links between NGOs, the private sector and public sector, including direct contacts with the private sector outside of the SALI system. Moreover, since demand for displaced worker training and services is likely to be high in a number of government ministries (including municipal and local offices) as well as the private sector, it is likely that problems with particular CALs and ministries would not affect the overall achievement of the objectives of the program.

V. COMPLIANCE WITH PROJECT ELIGIBILITY CRITERIA

- 5.1 **General Criteria for Project Eligibility.** Financing to support a non-governmental market for training and reemploying displaced workers from the public and private sectors is fully consistent with the general objectives of the MIF, in particular, Article I, (d) (ii) to bear certain of the costs associated with investment reforms and an expanding private sector.
- 5.2 **Facility Criteria for Project Eligibility.** The proposal is fully consistent with the criteria for financing under the Human Resources Facility, particularly in Article III, Section 3, (a) for the training of workers who may be displaced as governments implement investment reforms, reduce public expenditures, restructure or privatize.

VI. CONSISTENCY WITH THE BANK'S COUNTRY PROGRAM

- 6.1 This program is consistent with the Bank's strategy for Colombia, as it supports effective labor market adjustments to the country's economic modernization program; increases investments in human capital; and improves access to social and economic opportunity for a key segment of the Colombian labor force. This project is viewed as an opportunity to expand the Bank's work in a new area of human resources and would not overlap with any current proposed operation of the Bank.

VII. AVAILABILITY OF MIF RESOURCES

- 7.1 **Funding Modality.** The project is expected to be financed through a grant based on the following points: (i) Colombia was declared eligible for all modalities of financing under the MIF by the Donors Committee on October 29, 1993; (ii) Colombia's compliance with the criteria of eligibility for obtaining grant resources at the country level (Article 3, Section 5b of the MIF Agreement) is detailed in section III paragraphs 3.1 - 3.4 of the Eligibility Memorandum MIF/GN-13; and (iii) the proposed project will likely have a catalytic impact on investment flows, as required under Article III, Section 5 (a) by providing investors with increased capacity for retraining labor as well as labor retrained in areas of private sector demand.
- 7.2 **Allocation of MIF Resources.** No restriction applies to the allocation of MIF resources for Colombia or to this specific project.

VIII. EVALUATION

- 8.1 The Coordinating Unit in CCONG would provide reports to the IDB every six months on the progress of all aspects of the program, providing the data on each of the indicators of progress gathered under the studies by CITE during project execution.
- 8.2 The results of this project will be evaluated on the basis of achieving the objectives set out for the project, and the improvement in each of the indicators of progress laid out prior to the initiation of the project. In addition to the periodic reports, a mid-term evaluation of the program will be conducted after one year by a Bank mission which may include, as needed, independent consultants or a firm. This evaluation will use as a principal input the evaluation report by CITE which covers the first year results for all indicators in the program.
- 8.3 A final evaluation and seminar for the project will be made six months after cessation of program activities. The evaluation will assess the progress on all indicators of the program and disseminate, as widely as possible, the results of the program.

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ANNEXES

ANNEX I: MIF - FACILITY II - COLOMBIA: PROJECT SUMMARY

ANNEX II: SCHEDULE OF PROGRAM ACTIVITIES (in months)

ANNEX III: INSTITUTIONAL FRAMEWORK

ANNEX IV: LIST OF POTENTIAL PARTICIPATING NGOs

ESTIMATED INPUTS IN THE PROCESSING OF THE PROGRAM "STRENGTHENING
NON-GOVERNMENTAL ORGANIZATION TO DISPLACED WORKERS (TC-93-08-09-01)

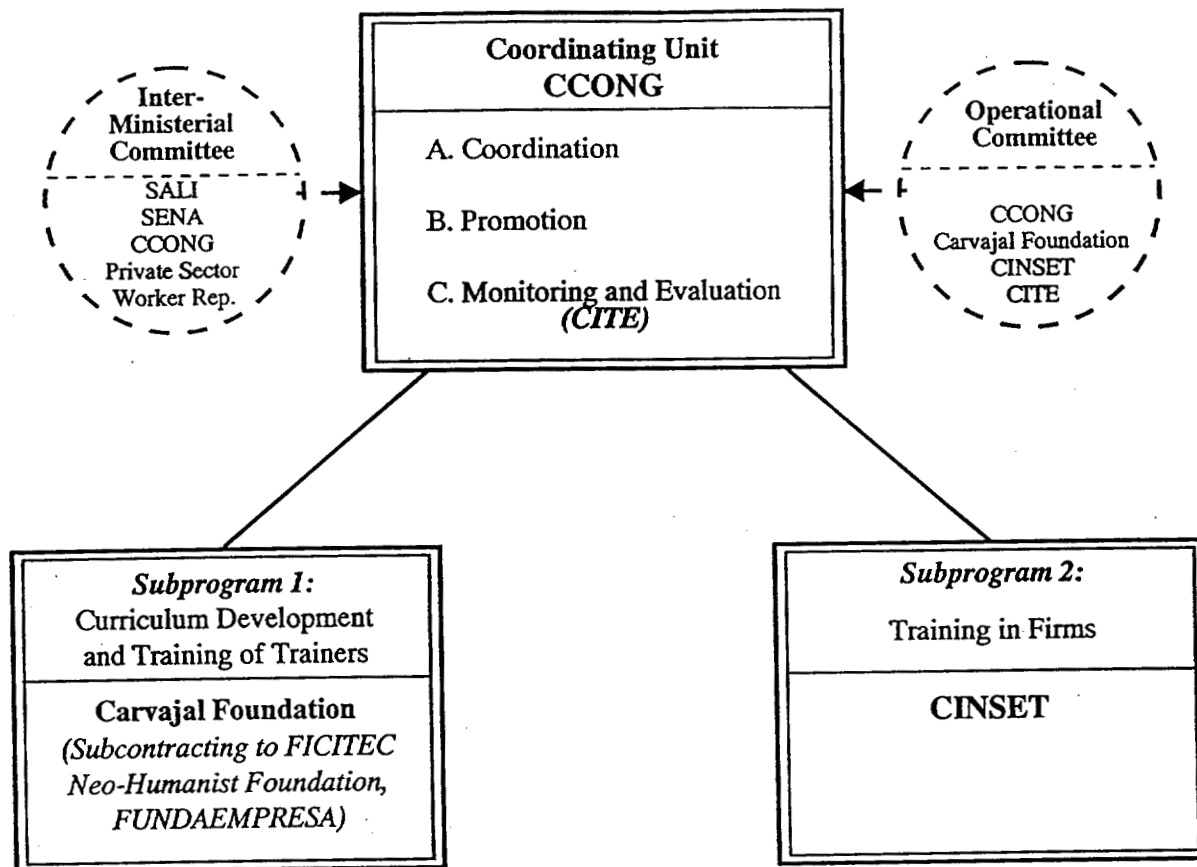
Technical documentation: Available for review in the archives of the MIF is additional technical documentation including: detailed program budgets for subprograms and support activities, descriptions of institutions and activities of all participating NGOs, descriptions of content of training modules, and background information on the SALI program to date.

MIF - FACILITY II - COLOMBIA PROJECT SUMMARY	
<p>General Objective of Project:</p> <p>To improve the quality, efficiency, and capacity of the non-governmental sector to provide retraining and services to displaced state and private sector workers and in doing so seek to improve the labor market reinsertion of displaced workers and reduce the social costs of economic reforms.</p>	
<p>Expected Results of the Project:</p> <p>The immediate objectives of the program, after two years, would be the following:</p> <ul style="list-style-type: none"> (i) to increase the number of NGOs participating in programs of labor reconversion by 40; (ii) to improve the quality of this participation through improved training methods and practices, which would be measured through indicators including placement in private sector jobs, reduced time of unemployment and income achieved in new employment; (iii) expand the number of workers served by NGOs to 5,000 (about one-third of the market for displaced workers). 	
SUBPROGRAMS/ACTIVITIES	EXPECTED RESULTS:
<p><i>Subprogram 1: Curriculum Development and Implementation</i></p>	<ul style="list-style-type: none"> ■ development of new 5 curriculums/modules and materials in general workskills which can be adapted and applied by NGOs in training of displaced workers. The new modules are: motivation, creativity, business opportunities, new work skills and how to create an enterprise and obtain credit. ■ development of 3 new training modules for NGO trainers in the psychological aspects of effectively working with displaced workers. These modules are: training of adults, management of conflict, and methods of communication. ■ development of new technical skills curriculums for locally-based training based on diagnosis and participation of the private sector. ■ training of 120 trainers in 40 NGOs to provide services to displaced workers in the public and private sectors in 17 intensive courses (5 in Santa Fé de Bogotá and 12 in other regions). ■ these 40 NGOs serving at least 5,000 workers in programs of labor reconversion either through contracts with local CALs or the private sector.

<p>Subprogram 2: Training in Firms</p>	<ul style="list-style-type: none"> ▪ 500 displaced workers trained in preparation for traineeships. ▪ 500 workers undertaking traineeships in private firms in areas of private sector demand in 5 regions of the country. ▪ a data bank of potential firms offering traineeships.
<p>Coordinating Unit: Support Activities A. Coordination and Promotion</p>	<ul style="list-style-type: none"> ▪ establishment of a coordinating unit in the Colombian Confederation of NGOs to promote and disseminate the products of the program and coordinate the subprograms ▪ establishment of a documentation center in the CCONG with information on "best practice" training methods for displaced workers in Colombia and other countries; holding of regional seminars to instruct NGOs on these methods ▪ the holding of more than 24 meetings (at least once a month) with the Operating Committee and at least 12 meetings with the Interministerial Committee to facilitate coordination of the project. ▪ the accomplishment of a communications campaign to promote the program and participation of NGOs in displaced worker programs including 3 t.v. commercials, 20 press bulletins, 8 articles in business publications, 10 working breakfasts with the private sector
<p>B. Monitoring and Evaluation</p>	<ul style="list-style-type: none"> ▪ the establishment of a monitoring system to evaluate the progress of the program and provide input on needed adjustments ▪ Establishment of baseline data to be used throughout the life of the project to evaluate its success in achieving the objectives of the project. ▪ Conducting of an initial, base line study using this data to characterize the situation prior to the initiation of the project ▪ Completion of a mid-term evaluation using the baseline data after one-year of the project. ▪ a final evaluation and seminar of the project to determine the project's socioeconomic impact including on: increasing participation of NGOs in displaced worker programs and the quality of that participation in terms of increased placement in private sector jobs, reduced periods of unemployment, higher incomes in new positions.

[illegible]

INSTITUTIONAL FRAMEWORK



**IDENTIFIED NON-GOVERNMENTAL ORGANIZATIONS¹ THAT COULD
OFFER TRAINING AND SERVICES TO DISPLACED WORKERS
UNDER THE PROGRAM**

City	Entity
ARMENIA	FUNDACION MICROS DEL QUINDIO
BARRANQUILLA	FUNDACION SANTO DOMINGO
BARRANCABERMEJA	FUNDESMAG
BUCARAMANGA	FUNDESAN
BUENAVENTURA	FUNDELPA
BUGA, TULUA Y CARTAGO	FUNDACION SARMIENTO PALAU
	FUNDAEMPRESA BUGA
CALI	FUNDACION CARVAJAL, BANCO MUNDIAL DE LA MUJER, FUNDACION PARA EL DESARROLLO EMPRESARIAL DEL NORTE DEL VALLE DEL CAUCA, FUNDAEMPRESA
CARTAGENA	CIRCULO DE OBREROS SAN PEDRO CLAVER, FUNDACION MARIO SANTODOMINGO
CUCUTA	FUNDENOR
DUITANA	FUNDACION ANTONIO PUERTO
IBAGUE	ACTUAR TOLIMA, FUNDACION COFIVALLE
MANIZALES	CORPOCALDAS
MEDELLIN	MICROEMPRESAS DE ANTIOQUIA, ACTUAR ANTIOQUIA, CORPORACION MICROEMPRESAS DE ANTIOQUIA, FUNDACION SOLIDARIOS LA VISITACION
MONTERIA	FUNDECOR
NEIVA	FUNDACION PARA EL DESARROLLO DEL HUILA
PALMEIRA, PRADER Y FLORIDA	FUNPRESOV, FUNDACION CAICEDO GONZALEZ
PASTO	CORPONARIÑO, FUNDACION PORVENIR
PEREIRA	FUNDACION PARA EL DESARROLLO EMPRESARIAL DEL RISARALDA
POPAYAN Y SANTANDER DE QUILICHAO	CORPOCAUCA, CORPOCAUCA DENCA NORTE

¹ Identified in consultant study, Feb.- April 1994

MULTILATERAL
INVESTMENT
FUND

ANNEX IV
Page 2 of 2

QUINDIO
QUIRBO
RIOHACHA
ROLDANILLO, ZARZAL Y TORO
SANTA FE DE BOGOTA

FUNCACION MICROS DEL QUINDIO
FUNDECHOCO
FUNDICAR
FUNDENORVALLE
FUNDACION SOCIAL, **FUNDACION
CORONA**, FUNDACION SHELL, FUNDECOOP,
FUNDESARROLLO, CORFAS, ACTUAR
BOGOTA, FUNDACION ANTONIO PUERTO,
UNIVERSIDAD DE LA SABANA, FUNDACION
GESTION INTEGRAL, FUNDACION
NACIONAL PARA EL DESARROLLO SOCIAL -
FUNDES, FUNDACION NUEVA COLOMBIA
INDUSTRIAL, FUNDACION DINERS,
FUNDAEMPRESA, **FUNDACION
NEOHUMANISTA**
FUNDEMCROMAG
INDECOL
FIDES
FUNDACION ANTONIO PUERTO
FUNDACION GOODYEAR, FEDY

SANTA MARTA
SAN GIL
SINCELEJO
DUITAMA
YUMBO

* NGOs in bold are currently providing some training to displaced workers under the SALI Program.

MULTILATERAL
INVESTMENT
FUND

ESTIMATED INPUTS IN THE PROCESSING
OF THE PROGRAM "STRENGTHENING
NON-GOVERNMENTAL ORGANIZATION TO PROVIDE TRAINING
AND SERVICES TO DISPLACED WORKERS
(TC-93-08-09-01)
(in weeks)

DESCRIPTION	TO DATE		FUTURE	
	IDB	MIF	IDB	MIF
<i>I. STAFF</i>				
1. Project Team Leader		11		5
2. Operations Official	2		5	
3. Lawyer	2		1	
4. MIF Coordinator		1		2
<i>II. CONSULTANTS</i>				
1. Consultant in Programs of Displaced Workers		4		1
2. Program Evaluation				10
<i>III. TOTAL BY INSTITUTION</i>	4	16	6	18
<i>IV. TOTAL</i>		20		24

PROPOSED RESOLUTION

COLOMBIA. TECHNICAL COOPERATION FOR STRENGTHENING
NON-GOVERNMENTAL ORGANIZATIONS TO PROVIDE TRAINING AND SERVICES
TO DISPLACED WORKERS; SUB-PROGRAM II

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary and to take such additional measures as may be pertinent for the execution of the project memorandum referred to in Document MIF/AT- with respect to a technical cooperation for a traineeship sub-program (Sub-program II) and for support activities with the Confederación Colombiana de Organismos No Gubernamentales, as part of a program for strengthening of non-governmental organizations to provide training and services to displaced workers.
2. That up to the amount of US\$888,145 is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

PROPOSED RESOLUTION

COLOMBIA. TECHNICAL COOPERATION FOR STRENGTHENING
NON-GOVERNMENTAL ORGANIZATIONS TO PROVIDE TRAINING AND SERVICES
TO DISPLACED WORKERS; SUB-PROGRAM I

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary and to take such additional measures as may be pertinent for the execution of the project memorandum referred to in Document MIF/AT-_____ with respect to a technical cooperation curriculum development and implementation sub-program (Sub-Program I) with the Fundación Carvajal, as part of a program for strengthening of non-governmental organizations to provide training and services to displaced workers.

2. That up to the amount of US\$814,855 is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.