

## TC Document

### I. Basic Information for TC

▪ Country/Region:	COLOMBIA
▪ TC Name:	Support for the creation and start-up of the Project Management Office (PMO) to impulse rural productivity
▪ TC Number:	CO-T1587
▪ Team Leader/Members:	Salazar Echavarria, Carlos Alberto (CSD/RND) Team Leader; Lopez Ghio, Ramiro Andres (CAN/CCO) Alternate Team Leader; Almeida Oleas, Natalia (LEG/SGO); Crausaz Sarzosa, Ernesto Patricio (VPC/FMP); Hillman, Eugenio F. (VPC/FMP); Lopez Aguilar, Natalia (CAN/CCO); Manzano, Osmel Enrique (CAN/CAN); Parra Alvarez, Juliana (CAN/CCO); Valle Porrua, Yolanda (CSD/RND) Oleas, Natalia (LEG/SGO); Crausaz Sarzosa, Ernesto Patricio (VPC/FMP); Hillman, Eugenio F. (VPC/FMP); Lopez Aguilar, Natalia (CAN/CCO); Manzano, Osmel Enrique (CAN/CAN); Parra Alvarez, Juliana (CAN/CCO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	15 Jul 2020.
▪ Beneficiary:	Administrative Department of the Presidency (DAPRE)
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	Public Capacity Building Korea Fund for Economic Development(KPC)
▪ IDB Funding Requested:	US\$100,000.00
▪ Local counterpart funding, if any:	US\$20,000.00 (In-Kind)
▪ Disbursement period (which includes Execution period):	12 months
▪ Required start date:	January 31, 2021
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	CAN/CCO-Country Office Colombia
▪ Unit of Disbursement Responsibility:	CAN/CCO-Country Office Colombia
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; Environmental sustainability; Diversity

### II. Objectives and Justification of the TC

- 2.1 The objective of the TC is to support the Colombian government for the creation of a Project Management Office (PMO) to structure and implement a Comprehensive Strategy for Rural Productivity, in order to strengthen the areas of infrastructure and land adaptation, regulation of rural property and land use, economic reactivation and agricultural production, and right to food as components of rural social development. Specifically, it seeks to: (i) achieve the articulation of the different levels of government for the implementation of prioritized projects to improve rural productivity in selected [PDET](#)<sup>1</sup> municipalities with strong vulnerabilities, and low levels of formality and

<sup>1</sup> The Development Programs with a Territorial Approach is a 10-year subregional program for the comprehensive transformation of the rural territories through which the instruments of the Comprehensive

governmental presence; (ii) provide support for institutional and security strengthening; (iii) consolidate actions for the strategic communication of the activities to be carried out in the territories in order to achieve greater appropriation and sustainability of the projects. Within the framework of the Agreement for the Definitive Termination of the Conflict signed by the Government of Colombia and the FARC-EP in 2016, moving forward in the purpose of inclusive growth constitutes a main institutional commitment of the Government of Colombia (GoC).

- 2.2 In order to promote a rapid and effective response to the sudden economic slowdown caused by COVID-19, GoC has requested support from the IDB to strengthen the [Administrative Department of the Presidency](#) (DAPRE) that among its multiple functions, through the presidential councils, advises on the implementation of government policies and strategies and proposes mechanisms for articulation and coordination between government entities.
- 2.3 The pandemic has already shown its effects on a social and economic level. Estimates of the impact of the economic crisis derived from COVID-19 indicate that during the second quarter of 2020 the Gross Domestic Product (GDP) contracted 15.7%<sup>2</sup>. The growth results of the economy reflect the strong shock suffered in the country's economic activity as a consequence of the social distancing measures applied to stop the spread of Covid-19<sup>3</sup>. In the first semester of 2020, the GDP presents a cumulative contraction of -7.4%<sup>4</sup>. Also, the unemployment rate has doubled since the mandatory social confinement began, going from an average of 10% between April and August 2019 to 20.2% in the same period of 2020. However, with the gradual reactivation of the economy, the unemployment has experienced a decrease during the last 3 months, closing at 16.8%<sup>5</sup> in August. The effects of Covid-19 have been exacerbated in the most vulnerable populations and in those municipalities where local capacities are weaker, both in health care and in measures to address the pandemic. Therefore, urgent measures are required to strengthen their response capacity, the articulation of their comprehensive intervention at the local level and the effectiveness of their actions in promoting rural productivity, licit economies, and infrastructure development.
- 2.4 The GoC has established the strengthening of the comprehensive intervention strategy through the design, implementation and evaluation of instruments and management and articulation tools that allow to improve the impact, accelerate the territorial processes and help to give greater integrality and effectiveness of actions through institutional strengthening. Through PDET, the [Presidential Council for Stabilization and Consolidation](#) has already identified and prioritized major needs, and

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Rural Reform (RRI - by its acronym in Spanish) are implemented more quickly in the territories most affected by the armed conflict, poverty, illicit economies and institutional weakness. It is a planning and management instrument to implement as a priority the sectoral plans and programs within the framework of the RRI and the pertinent measures established in the Final Agreement, in the prioritized municipalities. The PDETs are built in a participatory manner (and with a gender focus) among the local governments, the private sector and international cooperation organizations, the communities; the ethnic authorities; and national entities. PDETs are implemented in 170 municipalities grouped in 16 subregions.

<sup>2</sup> Source: DANE. [Quarterly GDP Report \(Informe Trimestral PIB\)](#). June 2020.

<sup>3</sup> The economic activities that had the greatest negative contribution to growth in the second quarter were: commerce (-34.3%) and manufacturing industry (-25.4%). Source: DANE. [Technical Bulletin Gross Domestic Product II Quarter 2020 \(Boletín Técnico Producto Interno Bruto II Trimestre 2020\)](#). August 2020.

<sup>4</sup> Source: DANE. [Technical Bulletin Monitoring Indicator to Economy \(ISE\) \(Boletín Técnico Indicador de seguimiento al a economía – ISE\)](#). August 2020

<sup>5</sup> Source: DANE. [Large Integrated Household Survey - Labor Market's Main Indicators \(Gran Encuesta Integrada de Hogares – Principales Indicadores del Mercado Laboral\)](#). August 2020.

in the current situation of COVID-19, a whole of a government approach is needed. Through the execution of five components of the strategy, GoC seeks to generate opportunities to mobilize resources to support rural and territorial development in social, productivity and infrastructure areas and institutional strengthening in strategic sectors which require a structure that allows coordination and articulation in the design, execution and implementation of the comprehensive intervention.

- 2.5 Support to strategic sectors could be carried out, among others, through: (i) the articulation of the State's response in security matters to guarantee adequate conditions for access and development of projects in the territory; (ii) strengthening the management and response capacity of national, departmental, and local entities that have competence in executing specific projects related to productivity, infrastructure, and social development; and (iii) the design and implementation of communication strategies (internal and external) to facilitate access to the territories and promote ownership of prioritized projects
- 2.6 The mobilization of resources and their due execution require the design of a mechanism for model's implementation, monitoring and evaluation, with the support of the [Presidential Council for Compliance Management](#). Likewise, it requires careful institutional coordination between national government actors, local authorities and other stakeholders that are necessary and strategic for the desired comprehensive institutional response.
- 2.7 **Alignment with Colombian government strategies.** According to the National Development Plan 2018-2022 "[Pact for Colombia, Pact for Equity](#)", the TC contributes with the "Pact for entrepreneurship, formalization and productivity", which seeks to boost the development and productivity of rural Colombia, to overcome the lack of public and private investment and promotes strategies of social and productive inclusion of the rural population, the promotion of rural women as a factor of change, the innovation agenda and the use of natural capital as a strategic asset of the country; and specifically with the *Line* "Countryside with progress: an alliance to boost development and productivity of rural Colombia".
- 2.8 **Strategic Alignment.** The TC is consistent with the Bank's second Update to the Institutional Strategy (UIS) 2020-2023 (AB-3190-2) and is aligned with the development challenge of Social Inclusion and Equality, as it aims to improve the productivity of rural areas and the provision of infrastructure (mainly road connectivity) and public and social services; Productivity and innovation, as it seeks to improve the instruments and capacities for the structuring of projects, follow-up and monitoring to improve the efficiency of investments in rural areas, which also improve the productivity and quality of life of the population;; and the cross-cutting themes of (i) Environmental Sustainability, since it is intended to strengthen the environmental ordering of the territory, strategies for the substitution of illicit crops and protection of high value ecosystems for rural development and productivity; and (ii) Diversity, considering that territories where the prioritized projects are located, could be in areas previously occupied by armed groups and may include vulnerable populations of indigenous or Afro-descendant groups. Those communities would be, at the end, the beneficiaries of improvements in infrastructure, public and social services and opportunities for economic development; and (iii) Institutional capacity and the rule of law, as the implementation of the PMO contributes to leave installed capacities in the DAPRE for the prioritization, structuring, management, and monitoring of the priority projects of the National Government.

- 2.9 This TC contributes to the Corporate Results Framework 2020-2023 (GN 2727-12), specifically to the indicator “agencies with strengthened digital technology and managerial capacity”, and as a result of the prioritized project’s implementation. As indirect results, it contributes to the indicators related to improved access to public and social services (water and energy, and education and health), and roads build or improved. Finally, the TC is aligned with the IDB Group’s Country Strategy with Colombia 2019-2022 (GN-2972) since the strengthening of the DAPRE and the prioritization of projects to monitor their execution will allow: (i) Spur innovation and development in business and agriculture; (ii) Raise the quality of expenditure and public investment management capacity at all levels of government; (iii) Continue to reduce poverty and eliminate extreme poverty; (iv) Increase equitable access to quality basic services
- 2.10 As follow-up project of the virtual meeting held in June in the framework of cooperation among Korea and Colombia to overcome the COVID-19, the activities carried out through the proposed TC are aligned with the proposed “Digital New Deal” and “Green New Deal” as it aims, among others, to strengthen digital capacity for project’s monitoring and evaluation and the rural productivity, as part of economic recovery, strong employment and social safety net, with an environmentally friendly perspective. This TC is consistent with Public Capacity Building Korea Fund for Economic Development (KPC) goals given that its execution will strengthen public sector management and will help facilitate the efficient allocation and use of public sector resources at the national level.
- 2.11 This TC takes lessons learned from the Program to Strengthen Public Sector Strategic Management Capacities ([CO-L1243](#)) regarding the effectiveness in the management of government priorities through the strengthening of functions in the planning, monitoring and evaluation capacities, and the improvement in the efficiency and quality of the information; the Sustainable Colombia Program ([CO-L1166](#)) in the coordination between national government entities and beneficiary PDET municipalities, and the lessons learned during the structuring of projects; the Multipurpose Urban-Rural Cadastre Program ([CO-L1164](#)) that strengthens aspects of land tenure in PDET municipalities and develops a strong coordination between national and local authorities. Also, the TC would benefit from the lessons learned during the coordination processes between entities, instances of participation with communities, and prioritization and formulation of projects that have been carried out within the framework of the Sustainable Colombia Facility (GN-2865). It is also aligned with the IDB Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy ([GN-2609-1](#)) given that the interventions coordinated by the PMO will enhance the results associated with sustainable rural development.

### **III. Description of activities/components and budget**

- 3.1 **Component I: Creation of the Project Management Office – PMO (US\$92,775).** The objective of this component is to provide support for the structuring and implementation of the PMO, with the technical capacity to generate intervention scenarios, implementation phases and an action plan in coordination with related agencies for the execution of prioritized projects<sup>6</sup>. The expected output for this

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<sup>6</sup> According to [Korean National Strategy for a Great Transformation](#), projects focused on restoring the terrestrial and urban ecosystems as part of the “Green New Deal” will be prioritized.

component is the institutional strengthening which require a structure that allows coordination and articulation in the design, execution and implementation of the comprehensive intervention for rural productivity. Consultancies to define the required structure, needs for inter-institutional articulation and initial prioritization of strategic sectors<sup>7</sup> and specific projects for productive development and infrastructure.

- 3.2 **Component II: Support to strategic sectors and specific prioritized projects (US\$27,225).** The objective of this component is to support the strengthening for DAPRE's response in the strategic sectors for rural productivity and in the monitoring and evaluation of the execution of the projects prioritized in Component I. The expected output for this Component is to leave installed capacities in the technical teams to support the prioritization and monitoring of strategic projects for rural productivity. This will be possible through the implementation and stronger integration of DNA<sup>8</sup> as proposed in Korea's "Digital New Deal" for smart government; and the prioritization of projects focused on restoring the terrestrial ecosystems as rural productivity strategy for economic recovery, as proposed in the "Green New Deal" and "Stronger Safety Net" for new opportunities in the labor market. Through this component, support consultants to strengthen the technical teams of the strategic sectors and consultants in charge of monitoring specific projects may be hired.
- 3.3 As a result, the expected outcome of the TC is to support the Colombian government through the strengthening of the DAPRE with a PMO to structure and implement a Comprehensive Strategy for Rural Productivity, it will be achieved through the creation of the PMO and hiring support consultants to strengthen the technical teams. A final report with the required structure for the PMO, the proposed action plan for inter-institutional coordination and prioritization of projects to be monitored will be delivered.
- 3.4 In order to achieve the objectives proposed, the total amount required is US\$120,000, from which US\$100,000 will be funded by the Bank and US\$20,00 (in-kind) as local counterpart.

#### Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Creation of the Project Management Office.	Provide support for the structuring and implementation of the PMO	US\$79,195.00	US\$12,000.00	US\$91,195.00
Support to strategic sectors and specific prioritized sectors.	Support the strengthening for DAPRE's response in the strategic sectors for rural productivity and in the monitoring and evaluation of the execution of the projects prioritized in Component I	US\$20,805.00	US\$8,000.00	US\$28,805.00
<b>Total</b>		<b>US\$100,000.00</b>	<b>US\$20,000.00</b>	<b>US\$120,000.00</b>

<sup>7</sup> The strategic sectors initially identified are: (i) Security, (ii) Institutional Strengthening, and (iii) Strategic Communication.

<sup>8</sup> Data, network and artificial intelligence (AI).

#### **IV. Executing agency and execution structure (estimated length: 1 page)**

- 4.1 As a response to the request of GoC, the Bank will execute this operation, in close coordination with the DAPRE, the Council for Compliance Management and others that could be related with the development of TC activities and government priorities. The main reason for this request is the low capacity installed in DAPRE to act as Executing Agency, explained mainly in its personnel limitations that result in a reduced capacity to efficiently and timely execute the products required for this project, taking into account the need for accelerated execution given the short times to obtain the expected result and the first level institutional priority. The foregoing is supported in appendix 10 of document GN-2629-1 "Operational Guidelines for Technical Cooperation Products". The Natural Resources Division (CSD/RND) will lead the supervision of this operation.
- 4.2 Also, the possibility of incorporating lessons learned from interventions in other countries and the availability of specialists in areas such as infrastructure, housing, or justice, justify that the Bank executes TC resources.
- 4.3 The Bank's rapid response capacity will allow the Government to have resources in the short term and will give it time for the Congress of the Republic to approve resources in the National Budget in future budgetary exercises, which will complement the resources already oriented to respond to the impacts generated by COVID-19.
- 4.4 The Bank will follow its procurement policies and guidelines related to contracting processes: (i) individual consultants will be hired according to the guidelines established in policy AM-650; (ii) consulting firms of an intellectual nature will be hired according to the "Policy for the selection and contracting of consulting firms for operational work carried out by the Bank" (GN-2765-4) and its Operational Guides (OP 1155-4); and (iii) other non-consulting services in accordance with the "IDB Institutional Procurement Policy" (GN-2303-28). Single Source Selection of individual consultants was requested by the beneficiary in order to complete products needed for the design and implementation of the PMO.
- 4.5 Within the framework of the emergency related to COVID-19, the operation will take into account the limitations for the implementation of each of the activities that are part of the project components. For the activities that require execution in the territory, a strategy for face-to-face monitoring will be prepared as part of the work plan.
- 4.6 The Bank will be responsible for supervising the implementation of the monitoring plan. Given the emergency context, the main instrument for monitoring this project will be the results matrix and the procurement plan.
- 4.7 According to the [request from the DAPRE](#) (No OFI20-00170081 / IDM 13000000), and prioritization granted by the Presidential Agency for International Cooperation (APC-Colombia), the Bank has made progress with the preparation of this TC in order to support the national government.

#### **V. Major issues**

- 5.1 The support to PDET from a Council within the Presidency may have the risk of changing priorities in the presidential political transition in 2022. However, there is a constitutional and legal mandate to develop these programs by a period that exceeds the current mandate (2018-2022), which mitigates the potential risk.

- 5.2 Given the nature of the territories and investments that are being coordinated, this TC faces risks that may cause additional costs and generate delays in the execution of investments, such as: (i) difficulties in accessing the territories (due to geographical conditions or public order); (ii) limited institutional presence; (iii) preponderance of illegal economies and the presence of violent actors and (iv) corrupt practices or poor quality in the execution of works. The support of this TC will contribute significantly to strengthening the capacities for coordination, management and control (at the level of the PoR) that is required given the involvement of multiple executing institutions and local beneficiaries receiving the investments. Additionally, the PMO will be able to adopt best practices in mitigating the identified risks.
- 5.3 In the framework of the emergency related to COVID-19, the limitations for the implementation of the project's activities will be taken into account, for which a remote follow-up plan for investments during the emergency situation will be prepared, and a face-to-face monitoring strategy once it stabilizes
- 5.4 This subheading should identify key risks to executing the TC and achieving its objectives, as well as how to mitigate such risks. Any special issues for analysis, beyond those that are common to most projects, such as if there is a need for phasing components/activities, or any special execution arrangements (e.g. if there is a need of a new law, decree, multi-agency participation) should also be identified and discussed.

#### **VI. Exceptions to Bank policy**

- 6.1 There are no exceptions to the Bank's policies in this Technical Cooperation.

#### **VII. Environmental and Social Strategy**

- 7.1 Per the Environment and Safeguards Compliance Policy of the IDB (OP-703), the operation has been classified as 'Category C' (see the Safeguard Screening Form and the Safeguards Policy Filter).

#### **Annexes:**

[Request from the Client - CO-T1587](#)

[Results Matrix - CO-T1587](#)

[Terms of Reference - CO-T1587](#)

[Procurement Plan - CO-T1587](#)