

## TC Document

### I. Basic Information for TC

▪ Country/Region:	COLOMBIA
▪ TC Name:	Training in Creative Industries: An Opportunity for Emotional, Social and Economic Inclusion in Migrant Receiving Communities
▪ TC Number:	CO-T1551
▪ Team Leader/Members:	Lopez Ghio, Ramiro Andres (CAN/CCO) Team Leader; Maragall, Juan Ernesto (SCL/EDU) Alternate Team Leader; Adaime Vanegas, Aida (CAN/CCO); Crausaz Sarzosa, Ernesto Patricio (VPC/FMP); Graham, Rodolfo (LEG/SGO); Granada Garces, Isabel Cristina (VPS/001); Hillman, Eugenio F. (VPC/FMP); Lopez Aguilar, Natalia (CAN/CCO); Parra Alvarez, Juliana (CAN/CCO); Ternent, Marie Christine (DIS/CCO)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	11 Feb 2020.
▪ Beneficiary:	Migrant receiving communities in Soacha – Cundinamarca
▪ Executing Agency and contact name:	Fundación Gratiud Camilo Hoyos Gómez: <a href="mailto:c.hoyos@fundaciongratiud.com">c.hoyos@fundaciongratiud.com</a>  Aeio-TU Fundación Carulla Maria Adelaida López: <a href="mailto:malopez@aeiotu.org">malopez@aeiotu.org</a>
▪ Donors providing funding:	Japan Special Fund Poverty Reduction Program(JPO)
▪ IDB Funding Requested:	US\$300,000.00Fundación Gratiud: US\$200,000.00 AeioTu-Fundación Carulla: US\$100,000.00
▪ Local counterpart funding, if any:	US\$470,000.00 (In-Kind)
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	June 2020
▪ Types of consultants:	Firms and individual consultants
▪ 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):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation

### II. Objectives and Justification of the TC

- 2.1 Soacha is a municipality in the department of Cundinamarca adjacent to the city of Bogotá with a population of 645,205 inhabitants ([DANE, 2018](#)). According to the Unit for the Victims Assistance and Reparation, out the 7,580,241 people displaced by the armed conflict experienced in Colombia between 1984 and 2017, Soacha received an amount of 58,471 ([DNP,2018](#)). On the other hand, 24,026 venezuelan migrants are

already registered and have settled in Soacha<sup>1</sup>, in accordance to Migration Colombia. The arrival of migrants in this municipality is mainly motivated by the proximity to Bogotá. Although the national and local government have developed programs to serve both internally displaced and migrant population, they face a vulnerable situation given that in some cases they live in informal settlements, with low habitability conditions, poor access to roads, insufficient public and social services and limited employment opportunities.

- 2.2 Currently, the municipality has 342,240 people classified in the Identification System of Potential Beneficiaries of Social Programs - SISBEN ([DNP, 2018](#)), so it is estimated that 53% of the population belongs to the lowest socioeconomic tiers (1 and 2) and under vulnerable conditions. The coverage of aqueduct and sewerage is 91.69% and 88.58% respectively, being the lowest in the Cundinamarca department. Also, the percentage of students enrolled in preschool, basic and middle levels is 76% and the unemployment rate in 2018 reached 13%. In Soacha, as in the rest of the country, there are great difficulties for young people to access jobs, among other factors, due to lack of training. According to DANE (the National Statistics Office), the youth unemployment rate was 18.1% (in 2019), increasing 1.6% in relation to 2018. In addition to this, drug micro trafficking, social cleansing, victimization of young people and the presence of illegal armed actors persist, with young people being an easy target for illegal activities.
- 2.3 For more than 30 years, the municipality of Soacha has stood out for promoting music as an expression of its traditions, seeking to strengthen the identity and sense of belonging of its inhabitants. Since 1988 the Sol y Luna Festival has been held, which is an important stage for the promotion and dissemination of the artistic and cultural products of local musical groups, which day by day contribute and strengthen the cultural development of the municipality. Likewise, since 2002 the Hip-Hop festival has been held with the purpose of spreading hip hop culture and to promote local groups, cultural organizations, alternative events and strengthening the cultural agenda of the municipality. This culture has been consolidating and brings together young people around different artistic expressions such as musical creation, graffiti, dance and clothing design, as well as production activities, which presents a great opportunity for the local economic development.
- 2.4 **Creative and cultural economy.** According to multiple studies, the creative and cultural economy (also known as orange economy<sup>2</sup>) has been recognized as an important vehicle for the economic development of countries, represented in its added value, exports, employment, investments and productivity. Estimates show that creative and cultural industries generate revenues of US\$2,250 billion and 29.5 million

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<sup>1</sup> As of December 31st, 2019, 1,771,237 venezuelans have been established in Colombia, being Soacha the municipality in the interior of the country, apart from the main capital cities and border municipalities, that has received the most population, ranking 14 out of 61.

<sup>2</sup> According to Benavente, and Grazzi, 2017 (<http://dx.doi.org/10.18235/0000841>) "the orange (or creative) economy is the group of activities through which ideas are transformed into cultural and creative goods and services whose value is or could be protected by intellectual property rights (IPRs)." Previous studies (Quartesan, Romis, and Lanzafame, 2007; Buitrago and Duque, 2013; Oxford Economics, 2014) and definitions coincide in the following aspects of the orange economy: (i) the recognition of creativity, arts, and culture as productive endeavors; (ii) the relationship with generating and exploiting intellectual property rights, in particular copyright; and (iii) the direct role of these activities in the value chain that transforms ideas into products. The creative economy includes activities related to three main concepts: (i) traditional and artistic activities, (ii) the creative industry, and (iii) activities that provide creative support to traditional industries.

jobs worldwide (per year), employing approximately 1% of the world's active population (Ernst & Young, 2015). In Latin America and the Caribbean, estimates indicate that creative industries generate revenues of US\$124 billion and 2.2% of regional GDP. For Colombia in the period between 2014 and 2018, 32 activities included in this sector accounted for 1.9% of the national added value, close to the reported for the civil engineering construction sector of 2.1% (Ernst & Young, 2015). Between August 2018 and September 2019, exports from the Creative and Cultural Industries reached more than US\$246 million to 58 countries (ProColombia, 2019). In that purpose, since 2010 the "[National Policy for the Promotion of Cultural Industries in Colombia](#)" (CONPES 3659) was formulated and through [Law 1834 of 2017](#) (Orange Economy Law) is recognized as an economic sector with the capacity of generating quality employment, and as an engine of development, which fosters the social cohesion as well as identity and equity. The Government has set the goal to position Colombia among the top 20 service exporting countries at the end of 2022.

- 2.5 Considering that Soacha could be known as a hub of activities that can be registered within the creative economy, it is worth highlighting the possibilities of job creation and job training in these fields. The IADB Group has been leading innovation and creative economy projects, strengthening capacities for LAC policy-makers to design, implement, monitor and evaluate policies (RG-T2959); enhancing Intellectual Property (IP) Management (as in Paraguay, PR-T1260) of public sector efficiency, effectiveness and accuracy of administrative procedures through automatization and providing greater accessibility to accelerate competitive, sustainable and knowledge-based economic development; or promoting digital transformation (as in Brazil, BR-T1374; Colombia, CO-T1475; Honduras, HO-T1256 among others). In addition, during 2019 IDB Lab and the Innovation and Creativity Division have been promoting the Orange Innovation Challenge for 9 countries in Central America<sup>3</sup> aimed to strengthen the ecosystem of creative entrepreneurship, job creation and knowledge transfer. In Colombia, it has been supported by the Ministry of Culture to encourage the country's cultural entrepreneurs to implement projects internationally as part of the export of goods in the creative industry.
- 2.6 **Synergies with other Bank efforts.** There are currently other non-refundable operations in preparation in Colombia, which demonstrate an integral work of the Bank in the country. Specifically, as the proposed TC seeks to strengthen emotional, interpersonal and intrapersonal skills it is possible to generate a link with the TC "Meaningful Development and Learning Opportunities for Venezuelan Young Children and their Families" ([CO-T1541](#)) that focuses on the migrant population of venezuelans in Colombia in order to mitigate the harmful effects of migration in early childhood and build minimum conditions to promote their comprehensive development. Also, it is related to the TC "Development of 21st Century Skills in Colombian Youth" ([CO-T1559](#)) that focuses on the skills of young people to enter the job market.
- 2.7 **Strategic alignment.** The TC is consistent with the second Update to the Institutional Strategy (AB-3190-2) and is aligned with the development challenges (i) social inclusion and equality; and (ii) productivity and innovation; with the cross-cutting theme gender equality and diversity and addresses migration as an emerging development challenge. It is also aligned with the Bank's Strategy with Colombia 2019-2022 (GN-2972) in the strategic area of Social Mobility and Consolidation of the Middle Class, as

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<sup>3</sup> Belize, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama and Dominican Republic.

it focuses on the objective “Reduction of the Informality” by generating a favorable environment for business creation and growth and increasing labor productivity through more relevant vocational training. It is also aligned with the Immigration Challenge as it aims to integrate migrants into local economy and support receiving communities; and the Digital Economy challenge through the development of digital innovation and entrepreneurship ecosystems and adoption of these technologies in the productive sector. In addition, it is aligned with the sectoral strategies of: (i) Institutions for Development and Social Welfare as it seeks to strengthen human capital, improve labor markets and prevent crime and violence; and (ii) Social Protection and Poverty, in early childhood care and risks associated with youth vulnerability.

- 2.8 **Alignment with the Government’s priorities.** The TC is aligned with the National Development Plan (NDP) 2019-2022 as it provides support to entrepreneurs and proposes projects associated with the orange economy and culture. It also seeks to generate greater equity and opportunities for insertion in labor markets and contributes to early childhood care, according to the “Children first: comprehensive development from the first childhood to adolescence”, in addition to strategies to support receiving communities of displaced and migrant populations. The TC is also aligned with the international cooperation strategy of Colombia in the priority areas of migration phenomenon and orange economy and innovation.
- 2.9 **Alignment with the Japanese Poverty Reduction Program (JPO).** The TC is aligned with the focused sectors of the Japan Special Fund Poverty Reduction Program (JPO) as it supports: (i) productive activities such as business and technical skills training, microenterprise activities for a sustainable livelihood; (ii) institutional strengthening and capacity building of community organizations; and (iii) the provision of basic social services for vulnerable groups such as early childhood and youth-at-risk.
- 2.10 **IDB Migration Initiative.** The Bank has been supporting the Government of Colombia financing programs that incorporate inclusive interventions in communities that have received migrants. To that extent, sectoral operations that address current development gaps, which are further stressed by migration, may access non-reimbursable resources from the IDB Grant Facility<sup>4</sup> or Donors resources (or a combination of both). This technical cooperation meets the IDB Migration Initiative objectives of (i) supporting countries that have received intraregional migration that represents over 0.5% of its total population; and (ii) focusing investments in migrant receiving communities.
- 2.11 **Objective.** The main objective of this TC is to contribute to the socio-cultural, emotional and economic inclusion of youth in a condition of exclusion from the labor market in Soacha, Cundinamarca, through job training, as well as management and entrepreneurship skills in the culture and creative sector. Specifically, it seeks to: (i) develop skills in artistic practices and project management framed in cultural and creative economy (orange economy); (ii) increase access to job offers in the cultural sector, and (iii) increase access to comprehensive quality education, nutrition and early childhood services for the artists’ children.

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<sup>4</sup> See Document GN-2947-1 “Proposal for Expanding the Scope of the IDB Grant Facility to Support Countries with Large and Sudden Intraregional migration Inflows and Operational Guidelines.

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

- 3.1 **Component I. Training in cultural skills and jobs, management and entrepreneurship.** The objective of this component is to strengthen emotional, interpersonal and intrapersonal skills and competences through art. Workshops (conceptual training and practical jobs) in emotional competences will be developed through creative artistic practices: artistic performance and crafts for practical learning under the model “workshop school” (Escuela-Taller) combining conceptual training and practical jobs. Practical learning in project management and cultural entrepreneurship and training to early childhood caregivers will be provided.
- 3.2 **Component II. Insertion into the labor market.** This component aims to link cultural managers to strategic technical support networks in different fields, as well as to increase access to job offers in the cultural sector. The foregoing, through the adaptation and management of a showcase platform, and the creation of a network of access and updating in legal, accounting, marketing and advertising services. In addition, alliances will be generated with companies and organizations in the cultural and creative industry (e.i. theater, music, circus and dance) with program beneficiaries. Also, dissemination activities will be carried out as part of this component seeking to replicate the program.
- 3.3 **Component III. Quality care for early childhood.** The objective is to increase access to [comprehensive quality education](#), nutrition and early childhood care for children between 0 and 5 years. The component will seek to prioritize the care of the artists' children<sup>5</sup> following an “itinerant care model” <sup>6</sup>. This component also seeks the exchange of knowledge trainers-artists through workshops.
- 3.4 **Project management, monitoring and evaluation.** In order to manage activities in the three components, monitor the progress of products, and evaluate results, the project will finance activities in the following areas: (i) monitoring reports, (ii) final evaluation; and (iii) external audit.
- 3.5 Expected results are related to: (i) developed skills in artistic practices and project management framed in cultural and creative economy; (ii) increased skills, understanding, and improved abilities related to avoiding violence; (iii) increased employment opportunities for young people; (iv) improved early education, nutrition and health for children from 0-5 years; (v) achieved skills in childhood care to artists and artistic skills to trainers.
- 3.6 The estimated cost of the project is US\$770,000, from which US\$300,000 corresponds to resources from the Japan Special Fund - Poverty Reduction Program (JPO) administered by the Bank; and US\$470,000 as local counterpart in-kind, of which US\$30,000 are from Fundación Gratitude (related to consultancy services for workshops); and US\$440,000 from aeioTU-Fundación Carulla (operation of the comprehensive care of children family mode activity).

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<sup>5</sup> It has been identified that one of the difficulties for artists / entrepreneurs to attend training sessions is caring for their own children. Additionally, each artist is in charge of groups of children who receive artistic education in specific programs. In this way, aeioTU has designed an “itinerant care model” to be implemented during the days that the artists attend the training to be offered in this program.

<sup>6</sup> The name “itinerant” is related to the possibility of taking the educational experience to other places than the educational center. The sessions will take place 2 days per week for 35 children between 0-5 years old offering traditional contents of aeioTU educational experience. Also, it is planned to have 3 feeding times (snack, lunch, snack) for children, with the aim of ensuring their nutritional well-being.

### Indicative Budget

Activity/Component	Description	IDB/JPO Fund. Gritud	IDB/JPO Fund. Carulla	Counterpart Funding	Total Funding
Component 1. Training in cultural skills and jobs, management and entrepreneurship	<ul style="list-style-type: none"> <li>•Creative artistic practices to develop emotional skills and competences</li> </ul>	US\$101,000	US\$0.00	US\$30,000	US\$131,000
Component 2. Insertion into the labor market	<ul style="list-style-type: none"> <li>•Development of a showcase platform and a network of access and updating services</li> <li>•Generation of alliances with companies and organizations in the cultural and creative industry</li> <li>•Communication Strategy</li> </ul>	US\$25,000	US\$0.00	US\$0.00	US\$25,000
Component 3. Quality care for early childhood	<ul style="list-style-type: none"> <li>•Comprehensive quality education, nutrition and early childhood care for children between 0-5 years</li> </ul>		US\$100,000	US\$440,000	US\$540,000
Project management, monitoring, evaluation	<ul style="list-style-type: none"> <li>•project management</li> <li>•monitoring &amp; evaluation</li> <li>•external audit</li> </ul>	US\$74,000	US\$0.00	US\$0.00	US\$74,000
<b>Total</b>		<b>US\$200,000</b>	<b>US\$100,000</b>	<b>US\$470,000</b>	<b>US\$770,000</b>

3.7 Semiannual progress reports, based mainly on the information of the Results Matrix, the Annual Operating Plan and Procurement Plan will be presented by Fundación Gritud as the Executing Agency (EA) responsible for Project Management, Monitoring and Evaluation (“Other Costs” of the budget) following the Bank’s policies and procedures. A final evaluation will be carried out to be presented six months after the last disbursement period, which should include the achievement of the outcome and the result indicators. The final evaluation should also assess the sustainability of the project results and present lessons learned and recommendations for their application in other similar projects.

#### IV. Executing agency and execution structure

- 4.1 Given the experience that Fundación Gritud and aeioTU Fundación Carulla have had in the activities proposed by this TC, and in the Soacha community, it is pertinent that these organizations be the EAs for this TC. Components 1 and 2 would be executed by Fundación Gritud and Component 3 would be executed by aeioTU Fundación Carulla, both in coordination with the Secretariat of Social Development and Community Participation of the Municipality of Soacha and the National Institute for Family Welfare (Instituto Colombiano de Bienestar Familiar – ICBF).
- 4.2 Fundación Gritud was created in 2016 by the colombian singer Fonseca. Its mission is to promote access to art and culture as tools for emotional well-being and social transformation by developing a sustainable and replicable model. The Foundation has conducted cultural empathy workshops and artistic-creative experiences within the Partnerships for Reconciliation Program of ACDI-VOCA and USAID benefiting 110 young people. Through collaboration with allies, gastronomic and artistic experiences have been provided to spread the wealth of the municipality of Tumaco (Nariño),



reaching more than 210 people and in Soacha itself through spaces for interaction with art and culture impacting 15,000 people. Together with the British Council, storytelling workshops have been carried out as a healing tool in the midst of Colombian armed conflict, with 273 participants so far.

- 4.3 Fundación Carulla is a non-profit organization that was founded in 1961. In the last 10 years, it has worked to improve the quality and coverage of the ecosystem of comprehensive early childhood care services in vulnerable communities of Colombia. It operates 30 schools of its own, has provided attention to more than 236,000 children (between 0 months and 5 years), has trained more than 14,000 educators and influenced the parenting practices of more than 425,000 parents or caregivers. It has successfully executed the operations ATN/JO-15625-CO and ATN/ME-12817-CO through which access to quality early childhood development services for low-income populations was improved.
- 4.4 The two EAs will be responsible for carrying out project activities, such as procurement, financial and accounting reports, among others. Fundación Gratiud will be responsible for project management, monitoring, evaluation and will have the task of consolidating the information for progress and final reports to be submitted to the Bank for supervision.
- 4.5 **[Request from the client](#)**. On November 13<sup>th</sup>, 2019, Fundación Gratiud requested a non-reimbursable technical cooperation to the Presidential Agency for International Cooperation (APC-Colombia), who prioritized the project on November 19<sup>th</sup>, 2019. On February 28<sup>th</sup>, 2020, APC-Colombia sent the Non-Objection to the Bank to continue with the preparation of this TC. Also, in accordance with the requirements of the JPO fund, on February 25<sup>th</sup>, 2020 the Embassy of Japan and the Japanese International Cooperation Agency (JICA) were informed of this TC request and the progress in its preparation. Both agencies expressed their agreement with the proposed program<sup>7</sup>.
- 4.6 **Procurement**. The procurement of goods and non-consulting services, as well as the selection and hiring of individual consultants and consulting firms will be carried out in accordance with Bank policies (GN-2349-15 and GN-2350-15) and will be defined in the Procurement Plan. Since both EA belong to the private sector, the TC will be governed by the provisions of Appendix 4 of the Bank's Procurement Policies and the procedures to be followed on the appropriate use of the funds from its operations, eligibility of goods, works and services, as well as those that refer to the application of the rules of transparency, economy, efficiency and prohibited practices.
- 4.7 **Reimbursement of expenses**. With the acceptance of the Bank, resources from the contribution may be used to reimburse expenses incurred or finance those incurred in the project from the approval of the TC and until the effective date, in compliance with requirements analogous to those established for eligible expenses.
- 4.8 **Previous conditions for the first disbursement**. Additional to what is established in Article 2 of the General Norms of all Technical Cooperation Agreements<sup>8</sup>, the first disbursement will be conditioned on the following requirements being fulfilled to the satisfaction of the Bank: (i) that the Co-executing Agencies present evidence that they

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<sup>7</sup> The Embassy of Japan sent its [response by email](#) on March 6, 2020, while JICA expressed its agreement at a meeting held on March 10, 2020, which was attended by the Project Formulation Advisor, in charge of cooperation projects.

<sup>8</sup> (i) designation of the officials representing the co-executing agencies with the authentic copies of the signatures of the representatives; (ii) presentation of the contribution utilization schedule

have an adequate financial information system and internal control structure; (ii) approval of the Operations Manual for the project in accordance with the terms previously agreed with the Bank; (iii) to appoint a professional to supervise the accounting and financial reports; (iv) the selection of a temporary consultant to advise and support in the procurement procedures carried out in the TC.

## **V. Major issues**

- 5.1 The risk of the operation is classified as low. According to the [Agency Needs Assessment](#) carried out by the Fiduciary Team at CAN/CCO, Fundación Gratiud presents a Medium fiduciary risk and requires its strengthening also in Medium level, specifically in the following aspects: (i) the clear definition of the organizational structure in accordance with the operations managed by the EA; (ii) management of procurement processes, regarding to minimum amounts; financial procedures related to cash management and the issuance of the project financial statements; and accounting policies to better record the resources received; and (iii) document management to ensure its proper custody. In order to mitigate this, an organizational chart will be developed, and must include functional areas, profiles and functions of the positions required; the Bank will train the EA's team about procurement procedures and document management and a consultant will be hired for the financial and procurement management of the program.
- 5.2 The main development risks are associated to a small part of the participants that could drop out before completion due to a lack of resources to attend training sessions, and/or factors outside the control of the project such as public order problems or mobility difficulties. It is planned that with the involvement of strategic allies, basic subsistence grants can be given to the beneficiaries. Also, virtual sessions would be offered, and, in that way, the physical presence of the participants would not be necessary. In the same way, through Component 3, parents (specially women head of household) could have support for the care of their children and facilitate their attendance to training sessions.

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

- 6.1 No exceptions to Bank policy are considered.

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

- 7.1 Due to the nature of this TC, no environmental or social risks associated with its implementation have been identified. Therefore, the CT was classified as Category "C" (see environmental filters [SSF](#) and [SPF](#)).

### **Required Annexes:**

[Request from the Client\\_7419.pdf](#)

[Terms of Reference\\_43178.pdf](#)

[Procurement Plan\\_43809.pdf](#)



