

# MEMORANDO

Clasificación de Archivo: ATN/SC-9063-CO

FECHA: 25 de enero de 2005  
RE2/TEC/08/005-05

A: Personas mencionadas al pie

DE: Arnoldo M. da Fonseca, Jefe  
Unidad de Coordinación de Cooperación Técnica

ASUNTO: COLOMBIA. CT/FONDOS. Fondo Sueco para Servicios de Consultoría. Apoyo para el Desarrollo de la Estrategia de Reducción de la Pobreza en Colombia.

Cumplo con informarle que la cooperación técnica mencionada en el asunto fue aprobada y registrada con el ATN/SC-9063-CO.

## Distribución:

Sres.	Ciro de Falco, RE3/MGR	E-0801
	Keisuke Nakamura, FSS/DEP	E-0907
	Juan Manuel Fariña, RE3/SO3	E-0803
	Vladimir Radovic, RE3/OD5	E-0705
	Jose Luis Lupo, COF/CCO	
	Carlos E. Velez, SDS/POV	E-0421
Sras.	Amanda Glassman, RE3/SO3	E-0705
	Ana L. Muñoz, COF/CCO	
	Maribel Alves-Fierro Sevilla, RE3/SO3	E-0705
	Laura Profeta, LEG/OPR	W-0812
Sr.	Justin C. Wheeler, FIN/FPS	W-1030
Sras.	Maria Bouroncle, RE2/TEC	E-0913
	Kathy Sánchez, EXR	B-0400
	Archivos Región 3	E-0809
	Sección de Administración de Archivos	W-0314
cc.	Sra. Regina M. Kreger, SDS/SDS	W-0504

TC Id:CO-T1015

**Banco Inter-Americano de Desarrollo**  
**REGISTRO DE APROBACION DE COOPERACION TECNICA**  
**COLOMBIA**

ITS/ITC

PREPARADO POR: 

**1. Proyecto No:**

ATN/SC-9063-CO

**2. Título:**

APOYO PARA EL DESARROLLO DE LA ESTRATEGIA DE REDUCCIÓN DE LA POBREZA EN COLOMBIA

**3. Descripción:**

SE FINANCIARA ACTIVIDADES EN DOS ÁREAS DE FORMULACIÓN DE LA ERPD: (I) ESTRATEGIAS DE COMUNICACIÓN PARA CONSTRUIR CONSENSOS Y REALIZAR CONSULTAS SOBRE LAS POLÍTICAS PROPUESTAS Y (II) ANÁLISIS DE POLÍTICAS Y PROGRAMAS Y EL DISEÑO DE ESTRATEGIAS NUEVAS PARA AUMENTAR EL IMPACTO DEL GASTO PUBLICO SOBRE LA REDUCCIÓN DE LA POBREZA.

**4. Beneficiario:**

GOBIERNO DE COLOMBIA Y POBLACIÓN POBRE.

**5. Agencia(s) Ejecutora(s):**

INTER-AMERICAN DEVELOPMENT BANK

**6. Fondo(s), condición(es) Financiera(s), y Monto(s):**

	Divisas	EQ. US\$	Moneda	Monto
SWC - FONDO SUECO CONS Y ACTIV ENTRENAM - NO REEMBOLSABLE	115,760.00	115,760.00	USD	115,760.00

**7. Documento(s) Aprobado(s):**

**8. Resolución(es) No.(s):**

**9. Aprobado por:**

JEFE DE DIVISIÓN

**10. Fecha de Aprobación:**

14-Jan-2005

**11. Sector:**

INVERSION SOCIAL

**12. Campo(s) de Actividad:**

PLANIFICACIÓN DEL DESARROLLO: GENERAL

**13. Modalidad(es) de la Cooperación Técnica:**

SERVICIOS DE CONSULTORÍA

**14. Jefe de Proyecto:**

GLASSMAN, AMANDA LOUISE

**15. Responsabilidad:**

**División:** SO3 - DIVISION DE PROGRAMAS SOCIALES 3

**Especialista:** VELEZ-ECHAVARRIA, CARLOS EDUARDO; SEVILLA, MARIBEL ALVES-FIERRO;

## COLOMBIA TECHNICAL COOPERATION PROFILE

### I. BASIC PROJECT DATA

- Country/Region: Colombia/Region 3
- Program Name/Number: Support for the development of the Poverty and Inequality Reduction Strategy (PRS) of the Republic of Colombia (CO-T1015)
- Team Leader/Members: Amanda Glassman (team leader); Ethel Muhlstein (RE3/SO3); Carlos Eduardo Velez (SDS/POV); Ana L. Muñoz (COF/CCO); and Kevin McTigue (LEG).
- Date of Request: June 30, 2004
- Beneficiary: Government of Colombia, agencies working in poverty reduction, and population living in poverty.
- Executing Agency: IDB – COF/CCO
- Financing Plan: Swedish Trust Fund for Consulting Services: US\$115,760  
**Total: US\$115,760**
- Technical and basic responsibility: Technical responsibility: Social Programs Division (RE3/SO3), with support from SDS/POV  
 Basic responsibility: Country Office in Colombia (COF/CCO).
- Tentative dates: Approval: December 2004

### II. BACKGROUND AND PROBLEM STATEMENT

**Poverty and inequality in Colombia.** The incidence of poverty in Colombia declined steadily in the 1980s and the first half of the 1990s. However, this downward trend ended in 1995, and reversed itself in the second half of the decade. In 1999, 64% of the population was living in poverty, while 23% of the population was considered extremely poor,<sup>1</sup> levels equivalent to those experienced in the late 1980s. Despite volatility in the incidence of poverty, the characteristics of the poor have remained relatively constant: low skills, high levels of unemployment, and high dependency ratios. As a result, during the 1990s, the likelihood of escaping poverty was highly dependent on households having less children, more working-age members with postsecondary education and access to employment opportunities. Populations displaced by the internal armed conflict, in their majority afro-colombian children under 15 years old and women, display the highest rates of poverty in the 2003 Living Standards Survey, and are a particular concern.

Given these reversals in poverty and inequality reduction during the 1990s and the aggravation of the effects of the armed conflict, the Government of Colombia, in partnership with non-governmental actors, civil society and bilateral and multilateral agencies, is developing a poverty and inequality reduction strategy (PRS) to be completed in 2005. The strategy will focus on the definition of those key Government actions that will contribute most substantially to the reduction of poverty and inequality in Colombia, taking into account political and fiscal

<sup>1</sup> World Bank (2002), Colombia Poverty Report.



constraints and different future growth and reform scenarios. A first step in the development of the strategy was the establishment of a framework for the PRS that sets the stage for the analytical and consensus building work to be undertaken. This framework was developed in late 2003 through a series of meetings between Government and civil society, with technical assistance from the Bank, and endorsed by the President of the Republic and key members of his cabinet in early 2004.

**Consistency with Bank strategy.** The Bank's strategy in Colombia, expressed in the Country Paper (GN-2267-1), seeks to achieve medium-term poverty reduction through activities that will: (i) promote competitiveness through the mobilization and development of internal and external markets and the development of infrastructure; (ii) promote social development and protection of vulnerable populations; and (iii) improve governance and accelerate the modernization of the state to strengthen the local management capacity, promote transparency and anti-corruption mechanisms and support judicial reforms. The PRS as a whole contributes to all three objectives through the definition of activities and strategies in each area that are crucial to achieving the cross-cutting objective of poverty and inequality reduction. Further, the PRS is solidly within the framework of the Bank's "Poverty Reduction and Promotion of Social Equity Strategy" (GN-1894-7), which prioritizes the provision of technical support to countries in the Region for the development of national poverty reduction strategies. It was as a direct result of the strategy that Bank and the Government of Colombia initiated a dialogue to develop a PRS.

To date, the Bank has focused on contributing to the development of poverty reduction strategies in HIPC countries. The present proposal represents the first attempt of the Bank to support the development of PRS in a middle-income country. As the poor are concentrated in middle-income countries (three out of every four poor individuals live in Argentina, Brazil, Colombia and Mexico), a PRS may have an even greater impact on poverty and inequality reduction at the regional level than those initiatives in HIPC nations. In addition, the Bank is well positioned to spearhead this effort given its role as the major social sector lender in Colombia and the lessons learned from similar initiatives in other parts of the Region.

The Bank has been actively participating in the donor coordination group for the poverty reduction strategy process in Latin America and the Caribbean. In the last meeting, held in December 2003, the group discussed the lessons learned from the implementation of the strategies in the HIPC countries. Key lessons from this effort have been incorporated in the framework document for the Colombia PRS.

**Institutional arrangements.** The Government has established a Technical Secretariat for the PRS that will define needed analytical inputs into the PRS, select and hire researchers and consultants, carry out consultation and dissemination activities and prepare publications, liaise with other stakeholders, prepare legal reforms needed to implement the PRS and provide assistance to the implementation of the PRS recommendations. The Technical Secretariat, while coordinating with the National Department of Planning, has been established as an autonomous entity, which will allow for greater independence in the development of policy proposals and greater effectiveness with respect to technical and political consensus-building efforts.

The Technical Secretariat is advised by a Technical Advisory Group, made up of prominent academics and researchers, and overseen by a Consultative Group, made up of government



ministers and representatives of political parties and civil society. Both groups have been named and initial meetings have been held to review strategy action plans and budgets, terms of reference and products produced under the strategy preparation. Further, a donor coordination mechanism has been established—through the Group of 24<sup>2</sup>—and regular meetings will be held to inform donors on progress and plans for implementation.

**Timeline for PRS preparation.** The PRS preparation and dissemination is financed by a number of bilateral and multilateral agencies. Of these contributions, the IDB is facilitating contributions from the Government of Finland, the Government of United Kingdom, the Government of Korea and, the subject of this proposed technical cooperation, the Government of Sweden, through the Swedish Trust Fund for Consulting Services. The technical secretariat was officially named in September 2004 and activities initiated to assure financing and develop specific activities to be carried out in support of the PRS. PRS preparation is expected to last until end 2005. Additional dissemination and consultation activities will be held in the immediate pre-electoral period in January to April 2006.

### III. PROGRAM OBJECTIVE AND DESCRIPTION

In the context of presidential and congressional elections in 2006, the objective of the PRS is to structure a long-term Government policy that identifies those interventions that should be continued, expanded or reformed in order to substantially reduce poverty and inequality in Colombia. The proposed grant would provide partial financing for selected components of the PRS process as described below.

Swedish Trust Fund for Consulting Services support would focus on two areas of PRS formulation: (i) communication strategies for consultation and consensus building and (ii) policy and program assessment and strategies.

*Communication strategies for consultation and consensus building.* In order to assure ownership, inclusion, transparency and sustainability of the PRS, this component would, as part of an outcome-based PRS participation action plan<sup>3</sup>, finance the preparation and implementation of a communications strategy, including workshops at national and sub-national levels designed to receive feedback, build consensus and encourage adoption of PRS results among stakeholders (civil society, political parties, government, donors) and preparation and dissemination of PRS publications, including the results of background assessments and policy recommendations.

*Policy and program assessment and strategies.* Background analytical work is critical to systematize information available on policies and programs, to fill gaps in available data and to develop policy options for the PRS. Specific areas to be covered under Swedish financing include: (i) security and access to justice for the poor<sup>4</sup> (co-financed with the UK Government);

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2 The Group of 24 refers to 24 countries who meet regularly to consider financing requests and carry out policy dialogue related to the mitigation of the effects of the armed conflict and poverty reduction policies and programs more generally.

3 Participatory processes for the PRS will be designed and conducted with specific outcomes in mind, such as to fill critical information gaps or to engage specific groups that have previously not been in a position to contribute, so as to yield concrete information for planning and implementing the PRS.

4 A grant from the Finnish Trust Fund will finance specific work on policies and programs directed to populations displaced and victimized by the internal armed conflict.

## VII. ACTION PLAN

On donor approval of the TC Profile, the team will proceed with the approval of the TC. The initiative to support the poverty strategy in Colombia is contained in Annex 5 of the Bank's strategy for Colombia (doc. No. GN-2267) approved by the Board.

## VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

This operation is not expected to have any negative environmental and/or social impacts. The main impact of the operation would be to contribute to the development of the Colombia's Poverty and Inequality Reduction Strategy. Environmental issues related to the PRS are financed under the Korean contribution to the PRS (under TC Support to the Development of the Poverty Reduction Strategy – CO-T1006).

## IX. RESPONSIBILITY IN THE BANK

**Technical responsibility in the Bank:** Amanda Glassman, RE3/SO3, e-mail: [amandag@iadb.org](mailto:amandag@iadb.org), Tel.: +202-623-3666, and Ana Lucía Muñoz, COF/CCO, e-mail: [analm@iadb.org](mailto:analm@iadb.org), Tel: +57-1-325-7000.

**Disbursement responsibility in the Bank:** Ana Lucía Muñoz, COF/CCO, e-mail: [analm@iadb.org](mailto:analm@iadb.org), Tel: +57-1-325-7000.

## X. RECOMMENDATION

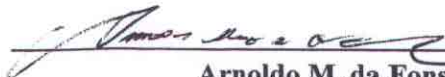
Amanda Glassman, designated team leader for the project of the reference, recommends the approval of this operation and the use of resources Swedish Trust Fund for Consulting Services totaling up to US\$115,760 in order to finance the corresponding project.

## XI. CERTIFICATION

I certify that this operation was approved for financing by the donor of the Swedish Trust Fund for Consulting Services through an e-mail dated December 20, 2004 submitted by Mr. Johnny Andersson, Program Manager, Department for Infrastructure and Economic Cooperation, INEC, Swedish International Development Cooperation Agency. Also, I certify that resources from the Swedish Trust Fund for Consulting Services are available for up to US\$115,760 in order to finance the activities described and budgeted in this document. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except that local expenses may be paid in local currency, and consultants working in their own borrowing member country may have their remuneration defined and paid in the currency of that country.



No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this TC. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not a risk.

  
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**Arnoldo M. da Fonseca**  
**Chief**  
**Technical Cooperation Coordination Unit**

Jan 12, 2005  
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**Date**

## **XII. APPROVAL**

**Approved:**

  
\_\_\_\_\_  
**Juan Manuel Fariña**  
**Division Chief**  
**Social Programs Division 3**

1/14/2005  
\_\_\_\_\_  
**Date**