

## TC Document

### I. Basic information for TC

▪ Country/Region:	COLOMBIA
▪ TC Name:	Master Plan for Integral Management and Sustainable Use of the Magdalena River Basin.
▪ TC Number:	CO-T1564
▪ Team Leader/Members:	Cruz Moreno, Paula (INE/TSP) Team Leader; Camos Daurella, Gibet (INE/TSP) Alternate Team Leader; Salazar Echavarria, Carlos Alberto (CSD/RND) Alternate Team Leader; Bertossi, Fanny (INE/TSP); Jimenez De Arechaga, Maria Del Pilar (LEG/SGO); Nalesso, Mauro (INE/WSA); Rodriguez Gonzalez, Roberto Eduardo (INE/TSP); Sandoval Pedroza, Jose Manuel (CSD/CCS)
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	N/A
▪ Date of TC Abstract authorization:	25 Mar 2020.
▪ Beneficiary:	Ministry of Transportation / Cormagdalena
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC Strategic Development Program for Infrastructure(INF)
▪ IDB Funding Requested:	US\$250,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	30 months
▪ Required start date:	December 2020
▪ Types of consultants:	Consulting firms and individual consultants
▪ Prepared by Unit:	INE/TSP-Transport
▪ Unit of Disbursement Responsibility:	CAN/CCO-Country Office Colombia
▪ TC included in Country Strategy (y/n):	YES
▪ TC included in CPD (y/n):	NO
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Institutional capacity and rule of law; Environmental sustainability; Gender equality

### II. Objectives and justification of the TC

- 2.1 The general objective of this TC is to promote the integral and sustainable management of the Magdalena River Basin in Colombia, considering its environmental, social, economic and cultural dimensions. Specific objectives of the TC are: (i) to provide technical support to the Colombian Government to update the Management Plan of the River (PMC) and establish a Master Plan for Integral Management and Sustainable Use of the Magdalena River Basin; and (ii) to support the institutional strengthening of Cormagdalena as integral manager of the River that can exercise effective leadership towards the environmental, social, economic, and technical management of the river.
- 2.2 **General context.** Colombia's fluvial network is 24,725 km in length. The Magdalena River which is 1,560 km long, is the main river of the country, flowing from the western part of Colombia (Huila Department) to the Caribbean coast. The river is navigable from Honda (Tolima Department) to the Caribbean sea, and the section of the river

between Barrancabermeja and Barranquilla or Cartagena presents the best conditions for navigability if accessed through the Canal del Dique (115 km). The Magdalena River is the country's main fluvial road for economic development and passengers and freight transportation. It is the main axis of the Magdalena basin, which accounts for a large share of social, environmental, and economic resources of the country: the river basin accounts for 24% of the continental territory of Colombia and includes 11 Departments: Magdalena, Atlántico, Bolívar, Cesar, Antioquia, Santander, Boyacá, Cundinamarca, Caldas, Tolima, and Huila, where 80% of the Colombian population live and 80% of the national GDP is produced.

- 2.3 The Autonomous Regional Corporation for the Magdalena River (Cormagdalena) was created by Article 133 of the Political Constitution of Colombia for the administration and management of the Magdalena River. The main objective of Cormagdalena is to restore the navigation and port activities of the river, ensure land adequation and conservation, generation and distribution of energy, and use and preservation of the environment, the ichthyologic resources, and other renewable natural resources of the Magdalena River. Article 4 of Law 161 of 1994<sup>1</sup>, authorizes Cormagdalena to exercise functions of supervision and coordination of all actions undertaken in the Magdalena basin that have an impact on the characteristics of the river's current<sup>2</sup>.
- 2.4 In that sense, the entity conduces several activities crucial to the sustainable development and management of the river basin. First, in 2006, Cormagdalena elaborated the River Basin Management Plan (Plan de Manejo de Cuenca) – PMC that compiles measures to: (i) foster the sustainability of water resources through time and promote reforestation activities oriented towards the protection against erosion; (ii) water control and regulation; and (iii) mitigation of climate change-related phenomena. It also establishes targets regarding water quality in the Magdalena River that contribute to increasing the number of passengers and tourists who commute by the river. The PMC was conceived as a tool for hydrological regulation of the Magdalena – Cauca basin and the coordination of national, regional, and local institutions involved in environmental management and administration of the basin. However, it has not been possible to implement a system to monitor milestones and indicators defined in the PMC, and there has neither been clarity regarding the entities responsible for the implementation of the different projects of the plan, nor a strong strategy for institutional articulation. Cormagdalena is currently in the process of elaborating the updated PMC, for which they have conducted a diagnosis and integrated new information from existing planning documents<sup>3</sup> such as data related to

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<sup>1</sup> "Cormagdalena will be sworn with the necessary faculties to coordinate and supervise the hydrological regulation and integral management of the Magdalena river. The Corporation will coordinate, subject to the superior norms and the national environmental policy, the activities of other autonomous regional corporations legally in charge of the environmental managing of the hydrographic basin of the Magdalena river and its tributaries, in relation with all aspects that have impact on the state of the river current, especially reforestation, water pollution and artificial restraint of the water Flow. Cormagdalena will participate in the process of planning and alignment of policies and regulatory norms dictated by the different authorities in charge, for an adequate and coordinated management of the Magdalena river basin" (Art. 4 Law 161 of 1994).

<sup>2</sup> Cormagdalena is authorized to undertake actions, subject to the Environment National Policy, additionally it must coordinate actions of the Regional Environmental Authorities (CAR) in charge of environmental management in the Magdalena River and its tributaries, in relation with all aspects that have impact on the characteristics of the river current.

<sup>3</sup> Integrating information of the Management and Planning of River Basin Plans (POMCA) of several departments of the Magdalena Basin territory.

natural hazards, among others. Secondly, Cormagdalena promotes and participates in the creation of port societies in the Magdalena River coastal communities, that contribute to the development of fluvial transportation and its integration with other modes. For the integration of an intermodal transportation network around the Magdalena River, Cormagdalena will need to undertake the required adequations of port facilities as short and medium-term priorities. Finally, to achieve better energy efficiency and reduce the negative impact of GHG emissions, Cormagdalena is currently supporting the modal shift from land to fluvial modes of transportation. The entity develops freight transportation on the Magdalena River to achieve the target of increasing from 2.1 to 8 MMtons of merchandise transported per year, by increasing the fleet of tugboats and barges and promoting efficient and clean technologies in the new fleet of tugboats.

- 2.5 This last activity is directly related to one of the most strategic infrastructure projects in Colombia: the PPP project for the restoration of the river navigability conditions. This is a priority of the Government since 2013 (CONPES 3758). Indeed, the Magdalena River has a maximum potential of fluvial transportation capacity of 550 million tons/year<sup>4</sup>, this is equivalent to seven times the volume of freight currently transported by road infrastructure in Colombia. Still, in 2018, only 3.4 millions tons were freighted over the Magdalena River. Developing freight transportation on the Magdalena River is an important opportunity to increase the sustainability and competitiveness of the country<sup>5</sup>. In this context, the Colombian Government through the National Infrastructure Agency (ANI), is currently preparing the PPP project, with the support of the IDB Group for the technical, legal and financial structuration. This important project of infrastructure considers dredging activities, bank protection works and repair works to existing structures using rock works, as well as geotextile tubes to be filled with sandy material, which will require deep monitoring of the impacts of the project on biotic and abiotic environmental conditions, as well as socio-economic conditions of the river basin.
- 2.6 In that context, it is fundamental to empower Cormagdalena as a multidimensional and integral manager of the river, assuming its role as the institutional coordinator between many stakeholders, ensuring control and protection of the River as a Public Good, including all its social, environmental, and economic dimensions. Currently, the entity faces challenges in terms of internal technical capacities, governance, and legitimacy. Cormagdalena will have to strengthen its functions in (i) the economic dimension to guarantee the river navigability and integration of intermodal transportation, and ensure the sustainable exploitation of natural resources; (ii) the environmental dimension by protecting the water and environment quality in all the river basin and coordinate the different environmental authorities; and (iii) the social dimension by promoting the cultural patrimony and touristic potential of the river; ensuring the development of local and sustainable productivity and energy projects and prevent disasters in communities due to natural hazards. In this last dimension, it will be particularly important to integrate a gender perspective, given women's limited income and disempowerment in rural communities<sup>6</sup>; ensuring the participation of women in the

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<sup>4</sup> <https://colaboracion.dnp.gov.co/CDT/Conpes/Econ%C3%B3micos/3758.pdf>

<sup>5</sup> With the implementation of competitive modes of transportation, including fluvial transport, the New Logistics Policy (CONPES 3982) could contribute to reduce foreign trade delays by one week and reduce by 50% the costs of exportation. Specifically, costs of exportation for products transported by fluvial transport from Bogotá to the Caribbean ports could be reduced by 50% in comparison with road transport.

<sup>6</sup> <https://www.apccolombia.gov.co/MinAgricultura-presenta-diagnostico-de-la-situacion-de-la-mujer-rural>.

conception and implementation of local projects and in the port's labor force, will allow for coastal communities to reduce gender inequalities and position women as new motors of development. This is why it is fundamental to strengthen the institutional organization of Cormadgalena and develop a Master Plan for the Integral Management of the Magdalena River to ensure the sustainable development of the River Basin and its communities, the success of the strategic PPP navigability project, and the protection of the River. International references of integral management of the river, such as the Mississippi River Commission in the United States and the International Commission for the Protection of the Danube River in Europe, have shown great impacts on the economic, environmental and social development of river basins.

- 2.7 This TC is complementary with several projects currently in execution by the Bank : (i) Implementation of Water Resource Management Systems in Support of the Master Plan for the Integrated Management and Sustainable Use of the Magdalena River Basin (CO-T1598) that will provide the information system necessary to monitor the implementation of the Plan and support decision-making based on data, both TC being complementary to provide an integral support to the sustainable and systemic management and monitoring of the river; (ii) the *TC Transporte Marítimo y Fluvial: Revisión de Conectividad y Estado de Puertos y Ríos de Colombia* (ATN/OC-17290-CO); (iii) the Regional TC *Centro de Apoyo HydroBid para la Gestión de los Recursos Hídricos Aplicados en ALC* (ATN/MA-18004-RG); (iv) the support of BID and BID Invest to ANI for the technical, legal and financial structuration of the Magdalena River PPP Project, the support of the BID to the ANI to implement a sustainable framework for the 5G concessions programs; and (v) the UK Sustainable Infrastructure Program in preparation that has identified multimodal logistics as an area of intervention.
- 2.8 The project is aligned with the priorities of the Colombian Government. In terms of environmental and economic sustainability, the CONPES 3758 (2013), the current preparation of the 2020 PPP project, the Master Plan for River Transport (2015), the National Development Plan 2018-2022<sup>7</sup>, the new National Logistics Policy (CONPES 3982 of 2020) and the Sectorial Mitigation Plan of the Transport Sector define the development of fluvial transport as a priority for sustainable growth in Colombia and as the third most important action of the Transport sector to mitigate climate change<sup>8</sup>, contributing to [Colombia's NDC](#) goal to reduce by 20% Greenhouse Gas (GHG) by year 2030 as compared to the projected Business as Usual (BaU) scenario. The project is aligned with the objectives of the PND 2018-2022, specifically the "*Pacto por la sostenibilidad: producir conservando y conservar produciendo*", "*Pacto por el Transporte y la Logística para la competitividad y la integración regional*" and "*Pacto por la calidad y eficiencia de servicios públicos: agua y energía para promover la*

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<sup>7</sup> Restore the navigability of the Magdalena River mitigating negative effects on its environment is included as a regional project in the Multi-Year Investment Plan of the PND 2018-2022 for the departments of Bolívar, Magdalena, Cundinamarca, Tolima, Región Santanderes and Santander. The PND 2018-2022 included an integrated agenda for institutional strengthening, coordination of different stakeholders, diversification of freight transport, to achieve the objective of increasing by 30% freight volumes of fluvial transport.

<sup>8</sup> The promotion of fluvial transport as an alternative to road transport would contribute to reduce 1,147,000 tons of CO2 annually according to the Sectorial Mitigation Plan of the Transport Sector. [https://www.minambiente.gov.co/images/cambioclimatico/pdf/planes\\_sectoriales\\_de\\_mitigaci%C3%B3n/PAS\\_Transporte\\_-\\_Final.pdf](https://www.minambiente.gov.co/images/cambioclimatico/pdf/planes_sectoriales_de_mitigaci%C3%B3n/PAS_Transporte_-_Final.pdf)

*competitividad y el bienestar de todos*". The Multi-Year Investment Plan of the PND also establishes cultural and economic development of the municipalities of the Magdalena River Basin through touristic integration in Huila and the central region as a priority<sup>9</sup>.

- 2.9 **Strategic alignment.** This TC is aligned with the following priorities of the Update to the Institutional Strategy of the Inter-American Development Bank Group 2020-2023 (AB-3190-2): (i) social inclusion and inequality, through the promotion of the sustainable development of the communities of the Magdalena River Basin; (ii) gender equality, by incorporating a gender perspective in the components promoting women's economic empowerment from the perspective of women as motors of development in the communities of the River, and as a component of good governance in the institutional strengthening of Cormagdalena; (iii) environmental sustainability, by supporting the integral and multidimensional management and protection of the river and ensuring the technical and institutional capacities of Cormagdalena as Integral River Manager with an emphasis on social and environmental aspects, and reducing transport-related emissions through the promotion of river transportation; and (iv) institutional capacity and rule of law, as it will finance actions to strengthen the institutional capacity and good governance of Cormagdalena. It also aligns with the Bank's Strategy (EBP) with Colombia 2019-2022 (GP-3561-1), in the strategic area of increasing the productivity of the economy through raising the quality of infrastructure, reduce transaction costs in the economy, and improve the international positioning of goods produced in Colombia, by promoting the conditions for the good development of the Magdalena river transportation which will be an important asset for the country's logistics infrastructure. In addition, this TC is aligned with the objectives of the *Ordinary Capital Strategic Development Program for Infrastructure* (OC-SDP), through the strengthening of institutions to improve planning and execution capacities, develop sound regulatory frameworks and depoliticize investment decisions.
- 2.10 Likewise, the TC is aligned with the Transportation Sectoral Framework Document (SFD) (GN-2740-7) and its focus on "institutional development in the transportation sector", and with the Climate Change SFD (GN-2835-8), as it will contribute to "make climate change considerations more central to sector actions." It is also aligned with the Sustainable Infrastructure for Competitiveness and Inclusive Growth IDB Infrastructure Strategy (GN-2710-5), by supporting the development of an environmentally sustainable river infrastructure.

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

- 3.1 **Component I: Magdalena River Basin Integral Management and Sustainable Use Plan (US\$120,000).** This component will finance activities to support the process of updating the PMC and elaborating an Integral Management Plan. The activities of the component will include consultancies to implement activities of socialization and workshops to ensure the exchange of information and participation of the different entities involved in the process of regulation and management of the river basin and promote exchange of experience and knowledge in order to collectively define the key indicators and targets of the future Integral Management Plan. Activities will also include the elaboration of the conceptual design of the monitoring and management tool for these indicators. The new Plan will be the planning instrument for the next 15

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<sup>9</sup> <https://colaboracion.dnp.gov.co/CDT/Prensa/PPI-PND-2018-2022.pdf>

years as it will integrate the projects and goals of the different planning documents and authorities competent on the basin territory ensuring the coherence and articulation of its different economic, environmental, and social dimensions based on information (natural ecosystems and renewable resources, economic exploitation, land management, energy generation, navigability, port activities, socio-economic and cultural development of the riverine communities including a gender perspective, etc.).

- 3.2 **Component II: Institutional Strengthening of Cormagdalena as Integral Manager of the River (US\$130,000).** This component will finance an institutional study to strengthen Cormagdalena as the Integral Manager of the Magdalena River, including organizational, legal, administrative, and technical components of the entity, policies of good governance and promoting gender parity. The activity will focus on the technical, social, and environmental capacities of the entity, to ensure its capacity to implement and monitor the Master Plan of the Magdalena River, coordinate all stakeholders, and control and protect the Magdalena River during the implementation of the PPP project.

**Indicative Budget**

Activity/Component	Description	IDB/Fund Funding (US\$)	Total Funding (US\$)
Magdalena River Basin Integral Management and Sustainable Use Plan	Technical assistance to support Cormagdalena in elaborating the Master Plan for Management and Sustainable Use of the Magdalena River Basin Integral	120,000.00	120,000.00
Institutional Strengthening of Cormagdalena as Integral Manager of the River	Institutional study to strengthen the institutional organization and capacities of Cormagdalena as Integral Manager of the River	130,000.00	130,000.00
	<b>Total</b>	<b>250,000.00</b>	<b>250,000.00</b>

#### IV. Executing agency and execution structure

- 4.1 Following the applicable policies and guidelines, the Bank, through the Transportation Division in Colombia and Washington D.C., will be the executing agency of the TC in collaboration with Cormagdalena and other institutions (Ministry of Transportation, Regional Environmental Authorities, etc), private sector, and other relevant entities.
- 4.2 The IDB will execute the TC based on its relevant experience in: (i) institutional strengthening; and (ii) exchange of experiences and international good practices, to ensure technical and operational viability and efficiency of the execution of the TC and ensure the cooperation and coordination with different public entities at national and local scales (Ministry of Transportation, Cormagdalena, Regional Environmental Authorities, ANI, local and regional governments). Additionally, the Bank will be able to ensure knowledge transfer and synergies with other projects of the Bank in the

country and the region, such as the HydroBID initiative and technical cooperations in Colombia on Fluvial Transport: Review of Connectivity and State of Ports and Rivers of Colombia (ATN/OC-17290-CO) and Knowledge Exchange in Hydrovias and River Projects (ATN/OC-17310-CO) with specific supports on the institutional strengthening of Cormagdalena and the integral structuration of the APP for the Navigability of the Magdalena River.

- 4.3 The Bank will contract individual consultants, consulting firms, and other services under the procurement policies and processes of the Bank: (i) individual consultants will be hired under AM-650; (ii) the procurement process for consulting firms will follow the Policy for the Selection and Contracting of Consulting Firms for Bank-Executed Operational Work (GN-2765-4); and (iii) the procurement of other services will follow the IDB Corporate Procurement Policy (GN-2303-28).

## **V. Major issues**

- 5.1 No major risks are identified for this TC. Moderate risks are identified related to possible delays in the execution and approbation of technical studies due to challenges of coordination with the beneficiaries, given the concurrence of many stakeholders competent in territorial, environmental and socio-economic planning at municipal and departmental scales that will be involved in the process. It will be mitigated by engaging Colombian stakeholders since the beginning of the execution of the TC. Moderate risks related to the situation of the pandemic of Covid-19 in terms of health conditions and accessibility to remote areas are identified, which will be mitigated by developing activities and communications virtually whenever possible. Additionally, if the execution of some projects requires fieldwork and the crisis of COVID-19 is still prevailing in the country, the IDB will ensure that project teams implement strict biosecurity measures.

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

- 6.1 There are no exceptions to Bank policy.

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

- 7.1 Given the nature of this TC, negative environmental and social impacts are not foreseen. Given its focus, it is rather expected to have a positive impact on sustainable and low-carbon development as well as on social inclusion and be classified as Climate. Consequently, it is expected that this TC will be classified as Category "C" according to the Environment and Safeguards Compliance Policy (OP-703) (see [SPF](#) and [SSF](#)).

### **Required Annexes:**

[Request from the Client - CO-T1564](#)

[Results Matrix - CO-T1564](#)

[Terms of Reference - CO-T1564](#)

[Procurement Plan - CO-T1564](#)

