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INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: ISDSC195

Date ISDS Prepared/Updated: 16-Mar-2012

Date ISDS Approved/Disclosed: 30-Apr-2013

I. BASIC INFORMATION

A. Basic Project Data

Country:	Colombia	**Project ID:**	P123879
Project Name:	Subnational Institutional Strengthening (P123879)		
Task Team Leader:	Pedro Arizti		
Estimated Appraisal Date:	01-May-2013	**Estimated Board Date:**	16-Jul-2013
Managing Unit:	LCSPS	**Lending Instrument:**	Specific Investment Loan
Sector(s):	Central government administration (50%), Sub-national government administration (50%)		
Theme(s):	Public expenditure, financial management and procurement (75%), Managing for development results (25%)		
Financing (In USD Million)			
Total Project Cost:	97.99	Total Bank Financing:	95.75
Total Cofinancing:		Financing Gap:	0.00

Financing Source	**Amount**
Borrower	2.25
International Bank for Reconstruction and Development	95.75
Total	97.99

Environmental Category:	C - Not Required
Is this a Repeater project?	No

B. Project Objectives

C. Project Description

The instrument to be used to support the Government fits better with the SIL's objectives

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The proposed operation would focus on the key challenges of strengthening SNGs ' public management capacities, improving the monitoring and coordination mechanisms among levels of governments, and enhancing civil society oversight. The operation will support the implementation of Article 16 of the National Development Plan which creates a "Program for the Creation and Strengthening of Institutional Capacities for Territorial Development". The program's objective is to support SNGs and civil society organizations in the formulation of district, municipal and department development plans aimed to reach the Millennium Development Goals, as well as to support the preparation of strategic regional projects. The program details will be defined in a policy paper (CONPES document) which is expected to be approved in December 2011. It is also anticipated that DNP will create a special administrative body responsible for the implementation of this program which will have as one of its main roles the implementation of this operation. The preparation of the project requires that the mentioned institutional arrangements will be timely in place.

For the strengthening of SNGs' public management capacities, the project will support selected SNGs through the provision of capacity building activities, public management processes and systems. The SNGs will be selected on the following basis:

- A first selection, will include SNGs with weak fiscal performance identified by the MHCP through the mechanisms stated in the "Fiscal Insolvency Framework"; SNGs with weak management of SGP resources identified by MHCP through the "Decree 28 Framework to Monitor, Track and Control SGP resources"; or, SNGs with weak management of royalties resources identified by DNP or MHCP (the Law is currently under discussion in Congress) through the "Framework to Monitor, Track and Control Royalties resources".
- Second, the project activities will be implemented progressively, prioritizing SNGs on the basis of criteria that will include population, poverty and gaps on services coverage and quality factors.

The first criterion has been chosen because it embodies all the current institutional framework for coordination between the central and SNGs. Besides, these institutional frameworks allow the National and SNG to agree on performance management contracts which would include the capacity building activities supported by this project (such as training in systems)

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For the improvement of monitoring and coordination mechanisms among levels of governments the project will support the further development and consolidation of the public bodies, regulations, methodologies and processes required for the expansion of the Central Government's oversight mechanisms on SNGs stated in the "Fiscal insolvency Framework", the "Decree 28 Framework to Monitor, Track and Control SGP resources", and the "Framework to Monitor, Track and Control Royalties resources". The project will also support the Central Government efforts to align the National Development Plan goals with the formulation and implementation of plans, programs and projects of all levels of government, and the creation of monitoring mechanisms for this purpose.

Colombia has 6 institutional arrangements for coordination among Central and SNGs aimed to oversee, control and monitor the fulfillment of the service delivery goals stated in the National Development Plan. The mechanisms to oversee the adequate use of resources in SNGs include the fiscal insolvency framework that oversees the fiscal performance of SNGs; the Decree 28 framework to monitor, track and control the resources form the transfer system (Sistema General de Participaciones); the regime to monitor, track and control the royalties resources (which as mentioned is being defined in the new royalties law currently in the Congress). New institutional arrangements have been developed through the National Development Plan, including the "Program

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for the Creation and Strengthening of Institutional Capacities for Territorial Development" which includes mechanisms to enhance SNGs management capacities and civil society participation; the Land Management Law which sets new mechanisms to strengthen regional coordination and investment; and the Formulario Unico Territorial, a tool aimed to structure the information required from SNGs to oversee the use of public funds.

With the exception of the fiscal insolvency framework, these institutional arrangements have been recently approved, mostly are being progressively implemented, and some of them require further legislation and regulation to proceed to their implementation. All of them are responsibility of different agencies in the Central Government and do not have a structured organization or approach towards SNGs.

This operation will support the Government of Colombia in the definition of complementary arrangements aimed to organize and structure operation of these mechanisms. This will improve the central government oversight of SNGs performance in the delivery of services.

For the enhancement of civil society oversight the project will contribute to the implementation of a second policy document (CONPES) on civil society oversight also expected in December 2011 as mandated by the PND.

Component 1: Assessment of Management Tools for SNGs Public Administration and Coordination among levels of Government (US$25 million)

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This component will support the design and implementation of complementary regulations, methodologies, processes and systems required for the strengthening of SNGs' public management capacities, improving the monitoring and coordination mechanisms among levels of government, and enhancing civil society oversight. These institutional arrangements will be required to refine the operational basis of the "Program for the Creation and Strengthening of Institutional Capacities for Territorial Development", which institutional details and management body will be approved in xxx 2012 through a CONPES document. The preliminary activities to be financed through this component are:

- Preparation of the "Methodology of Categorization of SNGs" (as explained in the second criterion of the selection of SNGs) on the basis of population, poverty conditions, delivery of services (coverage and quality), and governance environments.
- Refinement of methodologies being used to support the improvement of SNGs management capacities, including the "Rapid Assessments and Action Plan Methodology", the methodology being used in the Program "Unidos" and other ad-hoc methodologies for the assessment of administrative capacities and management of the delivery of services.
- Conceptualization, design and development of standard procedures and Management Information Systems to support the improvement of the following public-sector administrative areas: planning, investment, procurement, financial management, human resources, tax administration, debt management, assets management, monitoring and control.
- Identification of information required by the Central Government and SNGs to monitor the National Development Plan's strategic service delivery goals (responsibility of SNGs); and further development of structured mechanisms and processes to collect information from SNGs. (like the

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Formulario Unico Territorial)

- Design and implementation of Central Government/SNGs single dashboard to monitor the National Development Plan's strategic service delivery goals which implementation is responsibility of SNGs.
- Identification and assessment of mechanisms for citizens' oversight current in place at the national and local level. Further integration and development of citizens' participatory and oversight mechanisms and their regulations. This will include the design of mechanisms to integrate the participatory instruments currently being used in Colombia, such as Participatory Planning, Participatory Budgeting and Citizen's Visible Audits.
- Design of capacity building methodologies to enhance civil society oversight in public service provision at local level.

The counterpart for this component would be the General Deputy of the MHCP and the NPD.

Component 2: Strengthening SNGs' Managerial and Administrative Capacity (US$95 million)

This component will support the implementation of the methodologies, processes and systems to improve administrative and service delivery management capacities (developed through Component 1). The Central Government will provide the technical assistance in the selected SNGs public-sector administrative areas identified, such as: are planning, investment, procurement, financial management, human resources, tax administration, debt management, assets management, monitoring and control.

For this purpose the component will support the implementation of the public body responsiblefor the provision of the technical assistance to SNGs. The Program for the Creation and Strengthening of Institutional Capacities for Territorial Development will create a special administrative body responsible for the management of the capacity building activities as well as for the implementation of processes and information systems. The National Planning Department will define the inter-institutional arrangements in the coming weeks.

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Alternatives for this purpose are being assessed by the Government and the Bank team and include the creation of special programs and the training of special teams in the Public Administration National School. Hence, one of the alternatives being explored for the execution of capacity building activities is the creation of special teams under the coordination of the national public administration school (ESAP)

It is expected that this component will provide support to xxx SNGs (according to the criteria explained in project description and component 1) consisting in training systems, basic equipment and technical assistance and supervision for its implementation.
The counterparts for this component would be the General Deputy of the MHCP and the DNP.

Component 3: Coordinate Central Government's existing mechanisms regarding Monitoring and Control of the Delivery of Services provided by SNGs (US$20 million)

This component will support the improvement and coordination of existing monitoring and coordination mechanisms among levels of governments. For this purpose the component will support the further development and consolidation of the public bodies, regulations, methodologies and processes required for the expansion of the Central Government's oversight mechanisms on SNGs including the following:

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Enhancing Monitoring and Control of the Transfer System – SGP. Technical assistance and IT solutions will support the Directorate of Fiscal Support (DAF) and sector ministries to develop or strengthen the procedures, tools and operations used to monitor and control the coverage and quality goals of services financed with resources of the SGP.

Enhancing Monitoring and Control of the Royalties System. Technical assistance and IT solutions will support the DNP and sector ministries to develop the tools authorized in the Royalties Law to monitor and control the use of royalties.

Enhancing Monitoring and Control of Fiscal Performance. Technical assistance and IT solutions will support the DAF to strengthen the procedures, tools and operations used to monitor and control fiscal performance of SNGs. The counterpart for this sub-component would be the DAF at the MHCP.

Identify information, discuss it with the sector Ministries and define indicators in order to ensure quality and timely service delivery especially of the information oriented towards results.

Improving Information Collection. Rationalization of the sub-national information gathering and reporting tools across all sectors through the improved design, scope, formats, and periodicity of SNG reporting based where possible on existing tools and including training activities. The counterparts for this sub-component would be the MHCP, DNP and the General Comptroller Office.

Implementation of the public body responsible for the "Program for the Creation and Strengthening of Institutional Capacities for Territorial Development". This will support the implementation of the institutional framework at the National Government level responsible for the provision of capacity building support to SNGs, the identification of local partners at sub-national level which may participate in the implementation of capacity building activities; and the implementation of the capacity building programs. The counterpart for this component would be the General Deputy of the MHCP and the National Planning Department.

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Support the implementation of the "Comisión de Ordenamiento," a technical and advisory body that will supervise the quality and execution of regional projects; and the design and implementation of the regulatory framework for the "contratos-plan," an inter-governmental coordinating tool by which the Central Government delegates to regional and provincial associations the capacity to undertake projects that meet national priorities. The counterpart for this component would be the National Planning Department. During project preparation the scope of the activities to be financed under this subcomponent will be furthered developed to clarify if any safeguards are needed are needed to be triggered and/or its justification.

Component 4: Strengthening Citizens Participation Mechanisms (US$7 million)

This component will support the implementation of standardized mechanisms aimed at promoting and enhancing citizen participation along the whole SNG investment cycle, including the planning, budgeting, investment, execution and evaluation of the use of public resources. It will also aim to improve coordination and integration among various Central Government demand side programs. During project preparations the teams will make sure the mechanisms are accessible and relevant.

The component will also support the development of an open data platform that leads to a SNG open Government implementation, taking advantage of the ICT systems developed in component 2. The

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available information, together with capacity building activities, will allow citizens to effectively monitor and control the use of local public resources. The counterpart for this component would be the National Planning Department and the Ministry of the Interior.

Component 5: Project Management (US$3 million)

This component would support the administration and coordination of the project, as well the implementation and follow-up of the project's monitoring and evaluation framework. The counterpart of this component would be the Project's Administration Unit. The counterparts for this component would be the General Deputy of the MHCP and the NPD.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Bogota, Colombia

E. Borrowers Institutional Capacity for Safeguard Policies

F. Environmental and Social Safeguards Specialists on the Team

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	TBD	The project will not support construction or design activities. However, a subcomponent of Component 3 supports the implementation of the "Comisión de Ordenamiento," a technical and advisory body that will supervise the quality and execution of regional projects;and the design and implementation of the regulatory framework for the "contratos-plan," an inter-governmental coordinating tool by which the Central Government delegates to regional and provincial associations the capacity to undertake projects that meet national priorities. Thus, the team, with support from an environmental specialist will review the proposed project components to assess potential impacts, and provide a more detailed description and justification at appraisal stage.
Natural Habitats OP/BP 4.04	No	No physical works are being financed under the project, so habitats will not be affected.
Forests OP/BP 4.36	No	No physical works are being financed under the project, so forests will not be affected.

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Pest Management OP 4.09	No	The project does not involve the use of pesticides and hence does not require pest management.
Physical Cultural Resources OP/ BP 4.11	No	There are no physical cultural resources in the location of project implementation.
Indigenous Peoples OP/BP 4.10	TBD	The project does not focus on indigenous communities.
Involuntary Resettlement OP/BP 4.12	No	The project does not involve physical works or other type of use of land, so no resettlements will occur.
Safety of Dams OP/BP 4.37	No	Project activities will not occur in the vicinity of dams and therefore not affect safety of dams.
Projects on International Waterways OP/BP 7.50	No	The project will not affect international waterways.
Projects in Disputed Areas OP/BP 7.60	No	It is not expected that project locations include disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-May-2012

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing[1] should be specified in the PAD-stage ISDS:

During project preparation March 201w-June 2012

IV. APPROVALS

Task Team Leader:	Name: Pedro Arizti	
Approved By:		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Arturo Herrera Gutierrez (SM)	Date: 30-Apr-2013

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[1] Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.