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The World Bank

Report No: ICR0000775

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-73370 IBRD-74330)

ON

LOANS

IN THE AMOUNTS OF US\$86.4 MILLION

AND US\$104.8 MILLION OF ADDITIONAL FINANCING

TO THE

THE REPUBLIC OF COLOMBIA

FOR A

SOCIAL SAFETY NET PROJECT

June 29, 2009

Human Development Sector Management Unit
Colombia and Mexico Country Management Unit
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective June 26, 2009)

Currency Unit = Colombian Peso
COP 2,180.97 = US\$1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AICO	Indigenous Authorities of Colombia (<i>Autoridades Indígenas de Colombia</i>)
CAS	Country Assistance Strategy
CCF	Family Compensation Funds (<i>Cajas de Compensación Familiar</i>)
CCT	Conditional Cash Transfers
CONPES	National Council of Economic and Social Policy (<i>Consejo Nacional de Política Económica y Social</i>)
DANE	National Administrative Department of Statistics (<i>Departamento Administrativo Nacional de Estadística</i>)
DAPR- ACCION SOCIAL- FIP	Administrative Department of the Presidential Office in charge of the Investment Fund for Peace (<i>Departamento Administrativo de la Presidencia de la República – Agencia Presidencial para la Acción Social – Fondo de Inversión para la Paz</i>)
DNP	Department of National Planning
ECD	Early Childhood Development
FMRs	Financial Monitoring Reports
FONADE	National Fund of Development Projects
HCB	Community Child Care Centers
IADB	Inter-American Development Bank
ICBF	Colombian Institute for Family Welfare (<i>Instituto Colombiano de Bienestar Familiar</i>)
IPDP	Indigenous People's Development Plan
MDG	Millennium Development Goals
MHCP	Ministry of Finance and Public Credit
MIS	Management Information System
MSP	Ministry of Social Protection (<i>Ministerio de Protección Social</i>)
SIGOB	Information System of Management and Programming of Presidential Goals
SINERGIA	National System for Results Evaluation (<i>Sistema Nacional de Evaluación de Resultados de la Gestión Pública</i>)
SISBEN	Selection System of Beneficiaries of Social Programs (<i>Sistema de Selección de Beneficiarios de Programas Sociales</i>)
SISPRO	Project Information System of the Ministry of Social Protection
SOEs	Statement of Expenditures
TAL	Technical Assistance Loan

<p>Vice President: Pamela Cox Country Director: Axel van Trotsenburg Sector Manager: Helena Ribe Project Team Leader: Theresa Jones ICR Team Leader: Theresa Jones</p>
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**COLOMBIA
SOCIAL SAFETY NET PROJECT**

CONTENTS

Data Sheet

- A. Basic Information
- B. Key Dates
- C. Ratings Summary
- D. Sector and Theme Codes
- E. Bank Staff
- F. Results Framework Analysis
- G. Ratings of Project Performance in ISRs
- H. Restructuring
- I. Disbursement Graph

1. Project Context, Development Objectives and Design.....	1
2. Key Factors Affecting Implementation and Outcomes	6
3. Assessment of Outcomes	12
4. Assessment of Risk to Development Outcome.....	19
5. Assessment of Bank and Borrower Performance	20
6. Lessons Learned	23
7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners	25
Annex 1. Project Costs and Financing (Lns. 7337 and 7433)	26
Annex 2. Outputs by Component	27
Annex 3. Economic and Financial Analysis.....	37
Annex 4. Bank Lending and Implementation Support/Supervision Processes	40
Annex 5. Summary of Borrower's ICR and/or Comments on Draft ICR.....	42
Annex 6. Comments of Cofinanciers and Other Partners/Stakeholders.....	52
Annex 7. List of Supporting Documents	53
MAP	

A. Basic Information			
Country:	Colombia	Project Name:	CO Social Safety Net Project
Project ID:	P089443	L/C/TF Number(s):	IBRD-73370,IBRD-74330
ICR Date:	06/30/2009	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	REPUBLIC OF COLOMBIA
Original Total Commitment:	USD 86.4M	Disbursed Amount:	USD 190.9M
Environmental Category: C			
Implementing Agencies: Ministry of Social Protection (MSP) DAPR-Accion Social-FIP			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/28/2005	Effectiveness:		01/20/2006
Appraisal:	06/14/2005	Restructuring(s):		
Approval:	11/01/2005	Mid-term Review:	10/16/2006	
		Closing:	12/31/2007	12/31/2008

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Low or Negligible
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Other social services	100	100
Theme Code (as % of total Bank financing)		
Child health	14	14
Education for all	14	14
Other public sector governance	14	14
Other social protection and risk management	29	29
Social safety nets	29	29

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Pamela Cox	Pamela Cox
Country Director:	Axel van Trotsenburg	Isabel M. Guerrero
Sector Manager:	Helena G. Ribe	Helena G. Ribe
Project Team Leader:	Theresa Jones	Andrea Vermehren
ICR Team Leader:	Theresa Jones	
ICR Primary Author:	Theresa Jones	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The project development objective is to strengthen the country's social safety net by consolidating and expanding the successful Familias en Accion Conditional Cash Transfer program and improving the monitoring and evaluation of the country's safety net portfolio.

Revised Project Development Objectives (as approved by original approving authority)

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	At least 40% of benefits of Familias en Accion program going to bottom quintile.			
Value quantitative or Qualitative)	40%	40%		95.6%
Date achieved	11/29/2005	11/30/2007		06/30/2008
Comments (incl. % achievement)	Measurement of actual value is not comparable to the methodology used for the baseline value. Nevertheless, results indicate that in substance the originally defined target is met.			
Indicator 2 :	At least 70% of SISBEN 1 families covered in participating municipalities.			
Value quantitative or Qualitative)	60%	70%		62.1%
Date achieved	11/29/2005	11/30/2007		06/30/2008
Comments (incl. % achievement)				
Indicator 3 :	At least 80% of primary-age school children in extremely poor beneficiary families attending school at least 80% of the time.			
Value quantitative or Qualitative)	70%	80%		71.9%
Date achieved	11/29/2005	11/30/2007		06/30/2008
Comments (incl. % achievement)				
Indicator 4 :	At least 95% of beneficiary 0-6 year old children with completed growth monitoring and health check ups, according to the MSP protocol.			
Value quantitative or Qualitative)	90%	95%		71.9%
Date achieved	11/29/2005	11/30/2007		06/30/2008
Comments (incl. % achievement)				
Indicator 5 :	Publicly available information on the coverage, financing, and impact of key social safety net programs managed by the MSP and its affiliated institutions.			
Value quantitative or	None of specified information available.	None of specified information		See comments.

Qualitative)		available.		
Date achieved	11/29/2005	11/30/2007		12/30/2008
Comments (incl. % achievement)	The M&E system is not in operation. Public information relates to its design and is available in: (a) the monitoring system for investment projects managed by DNP and (b) the #Report to Congress# found on the MSP webpage.			
Indicator 6 :	At least 50% of social safety net programs of the MSP and at least two of its affiliated organizations are included in the M&E system.			
Value quantitative or Qualitative)	0	50 % of programs and at least 2 affiliated organizations		>50 of social protection system and 7 affiliated organizations
Date achieved	11/29/2005	11/30/2007		12/30/2008
Comments (incl. % achievement)	The M&E system design covers nearly all the SP sector (one gap is family allowances). Out of the 19 affiliated agencies, 7 are included. It is considered that more than 50% of the SP sector is covered in the design.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	At least 70% of the total of revised SISBEN 1 families in newly entered municipalities are registered in the program.			
Value (quantitative or Qualitative)	0	70%		66.4%
Date achieved	12/20/2005	12/31/2007		06/30/2008
Comments (incl. % achievement)	95% achievement.			
Indicator 2 :	At least 50% of social safety net programs of the MSP and at least two of its affiliated organizations are included in the M&E system.			
Value (quantitative or Qualitative)	0	100		99.9%
Date achieved	12/20/2005	12/31/2007		06/30/2008
Comments (incl. % achievement)	Missing municipality is capital Bogota.			
Indicator 3 :	Beneficiary information booklets designed, published and distributed to new municipalities with training.			
Value (quantitative or Qualitative)	0	57		466
Date achieved	12/20/2005	12/31/2007		12/30/2008
Comments (incl. % achievement)				

achievement)				
Indicator 4 :	System for monitoring human capital conditions operating for new selected areas.			
Value (quantitative or Qualitative)	0	57		466
Date achieved	12/20/2005	12/31/2007		06/30/2008
Comments (incl. % achievement)	Performance exceeds target set in original Project (and not updated at time of AF) because expansion covered a much larger number of municipalities.			

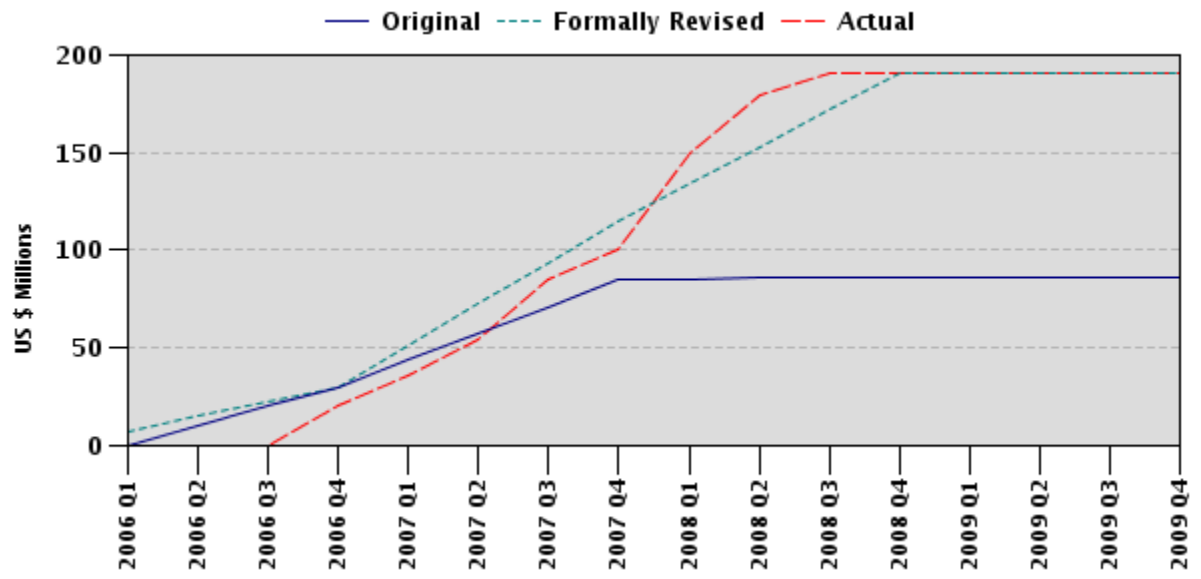
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	12/28/2005	Satisfactory	Satisfactory	0.00
2	05/05/2006	Satisfactory	Satisfactory	0.00
3	11/13/2006	Satisfactory	Satisfactory	54.85
4	05/18/2007	Satisfactory	Satisfactory	85.13
5	12/09/2007	Satisfactory	Satisfactory	179.31
6	05/29/2008	Satisfactory	Satisfactory	190.55
7	12/01/2008	Satisfactory	Satisfactory	190.97

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

A. Country and sector issues

The positive growth and poverty reduction which Colombia sustained for decades abruptly ended in 1999 and the country's social protection system was not able to respond adequately to the recession. The crisis forced a re-thinking of social sector strategies. The Government created an emergency social safety net to mitigate the impacts of the crisis on the poorest through 2005, which included *Familias en Acción* (hereafter *Familias*), a Conditional Cash Transfer (CCT) Program that provided cash to poor households in rural areas conditional on school attendance and visits to health facilities for children. At the time, the World Bank supported *Familias* through the Human Capital Protection Project approved in March 29, 2001 (Ln. 7050). Another important reform was the creation of the Ministry of Social Protection (MSP) in 2003, joining together the Ministries of Health and Labor with the mandate to increase the efficiency and transparency of the social protection system and its affiliated agencies. This institutional reform, among other social reforms, had been supported through a series of programmatic labor reform and social development policy loans.¹

By the time of appraisal of the Social Safety Net Project, Colombia had emerged from the economic crisis and resumed growth, but social challenges remained. School attendance had increased, but rates were still below Latin American regional averages and even in urban areas fell short of universal enrollment. According to the 2005 National Demographic and Health Survey, there were significant differences in global malnutrition rates between children in households in the lowest income group (11.6 percent) and those in the highest income group (3.2 percent). To help address these challenges, in 2005 the Government decided to expand *Familias*, given its demonstrated impact in promoting the accumulation of human capital, even though the economy had recovered. The MSP had begun to define Colombia's new social protection and assistance framework assisted by a series of studies and analysis supported by the World Bank and the Inter-American Development Bank (IADB).

B. Rationale for Bank assistance

When *Familias* was created in 2001, it was designed to be highly targeted and respond to a crisis. Coverage was not universal among the poor because of operational and financial restrictions at the time. This approach was modified once the positive results of the

¹ See Implementation Completion and Results Report for a Series of Programmatic Labor Reform and Social Structural Adjustment Loans I and II and a Labor Reform and Social Development Policy Loan III, December 21, 2007.

impact evaluation were known². The Project was designed to support the transition of *Familias*, including its expansion, further development as a more permanent program and the definition of its position in the social protection system. The first Project component covered the activities related to *Familias* and was carried out by *Acción Social*. In addition, the Project was intended to strengthen the institutional role of the MSP as the lead agency and institutional backbone of the social protection system by improving its monitoring and evaluation capacity. This second component was carried out by the Ministry of Social Protection.

C. Higher level objectives to which the project contributed

The World Bank Group's Country Assistance Strategy (CAS) for Colombia was based on three pillars: economic growth, building quality government, and sharing the fruits of growth. The Project contributed to the CAS objectives by: (i) sharing the fruits of growth by providing a strengthened social safety net to those who were not benefiting from the renewed growth; (ii) helping to further economic growth by investing in the education and health of poor children; and (iii) building quality government through the development of a monitoring and evaluation (M&E) system in the MSP. The CAS update added a fourth pillar: (iv) building the foundations of peace. The Project also contributed to this pillar since it supported the expansion of *Familias* to areas previously affected by violence. The Project also contributed to the achievement of the Millennium Development Goals (MDGs) in Colombia, in particular MDG 1 (the reduction of poverty and hunger and malnutrition); MDG 2 (the achievement of universal primary education); MDG 4 (reducing child mortality); and MDG 5 (improving maternal health).

1.2 Original Project Development Objectives (PDO) and Key Indicators

The Project Development Objective was to strengthen Colombia's social safety net by consolidating and expanding *Familias* and by improving the monitoring and evaluation of the safety net portfolio. *Familias* was expected to complement the income of poor families in order to raise food consumption and human capital investment in children. Support to the design and implementation of an integrated results-based M&E system was expected to help ensure coordination between the agencies operating in the social protection system and provide information for better program design.

² See Evaluation of Public Policies # 4, *Familias in Action: Impact of the Program after 1 and a Half Years of Implementation*, National Department of Planning, Government of Colombia.

Table 1. Outcome Indicators

- At least 40% of benefits of *Familias* going to bottom quintile of the population.
- At least 70% of SISBEN 1³ families covered in participating municipalities.
- At least 80% of primary-age school-age children in extremely poor beneficiary families attending school at least 80% of time.
- At least 95% of beneficiary 0-6 year old children with completed growth monitoring and health check ups, according to MSP protocol.
- Publicly available information on the coverage, financing, and impact of key social safety net programs managed by the MSP and its affiliated institutions.
- At least 50% of social safety net programs of the MSP and at least two of its affiliated organizations are included in the M&E system.

1.3 Revised PDO and Key Indicators

There were no revisions to Project Development Objective or key indicators made during the course of the Project.

1.4 Main Beneficiaries

For Component 1, the main beneficiaries were the children of poor families participating in *Familias*. Results of the impact evaluation demonstrated that the program was effective in raising food consumption, increasing school enrollment and attainment and in improving health outcomes for children (higher birthweight and better growth, reduced sickness and higher vaccination coverage). For Component 2, the main direct beneficiary would be MSP and its affiliated agencies.

1.5 Original Components

Component 1: Consolidation and expansion of *Familias* from 340,000 to 400,000 families by including extremely poor⁴ families in marginalized urban areas as well

³ SISBEN (Selection System of Beneficiaries of Social Programs) is a proxy means test. Proxy means tests identify the poor using a relatively small number of household characteristics to calculate a score that indicates how well off the family is (providing an estimate of its “probability of being poor”). These variables are weighted using statistical techniques to generate an overall score. Those families with scores below certain thresholds are then eligible for benefits. The poorest population is classified in the lowest group, or SISBEN 1.

⁴ Extremely poor as identified by Colombia’s proxy means instrument (level 1 of SISBEN- Selection System of Beneficiaries of Social Programs).

as high priority rural zones affected by violence⁵. The Project financed the cash transfers (grants) to families linked to compliance with specific conditions. These included: a) assuring that children 0-6 had all vaccinations and growth monitoring controls, according to the MSP protocols; and b) assuring that children 7-17 years of age were enrolled in school and regularly attended classes. The Project also financed the bank fees associated with the transfers and a small number of studies related to program design. In addition, the Government was to extend the program to 100,000 displaced families financed entirely by domestic resources.

Component 2: Improving the monitoring and evaluation (M&E) system of the Ministry of Social Protection (MSP) in order to better track and critically review the country's social safety net portfolio This component was to support MSP's mandate of increasing efficiency and transparency of the social safety net and its affiliated agencies by establishing an integrated results-based M&E system in the Ministry that provides accountability, an objective assessment of social policies and programs, and continuous feedback for the design of social safety net programs in Colombia. The component was expected to:

- (a) Strengthen the relationship between outcome indicators and budget allocation in the social area;
- (b) Strengthen the MSP's institutional capacity to evaluate its current programs; and
- (c) Improve transparency and accountability in the MSP.

The MSP's M&E system was to be fully integrated with Colombia's National Evaluation System of Public Sector Performance (SINERGIA) and the information system of management and programming of presidential goals (SIGOB) to ensure its sustainability and extensive use. The Project financed consultant services, training, goods and some operational costs.

1.6 Revised Components

The Project's components were not revised during implementation. However, with Additional Financing more funds were added to further scale-up of the activities under the first component – the consolidation of the *Familias* program.

1.7 Other significant changes

When the original Project was negotiated in mid-2005, the size of the loan reflected the decision of the Government not to assume that *Familias* would necessarily continue after

⁵ Does not include the expansion supported by the Additional Financing (Ln. 7433) which is discussed in Section 1.7.

the May 2006 election. In any event, the Government of President Uribe won reelection and in late 2006 the Government requested an additional loan to help finance the costs (transfers and bank fees) associated with a further scaling-up of *Familias* (Component 1 of the Project). The Bank responded positively based on the justification that the resources would serve to enhance the impact of a well-performing Project. On March 15, 2007, the Board approved Additional Financing (AF) of US\$104.8 million in order to enable *Familias* to expand the number of beneficiary families (nearly 600,000⁶ at the time of AF approval) to about 1 million (not including families from the displaced population, which were still financed by national resources).

Additional financing was judged the best available mechanism to meet the request of the Government. The Bank and the IADB were working with the Colombians on a new strategy to alleviate extreme poverty, which was likely to build on *Familias*, but further work was needed on its design. Also, more experience with the ongoing pilots in urban areas was needed before expansion into large cities. In the meantime, the government did not want to delay scaling-up in locations where *Familias* had shown good results. As of February 5, 2007, 90 percent of the original Project loan had been disbursed and the remaining resources for Component 1 were expected to be exhausted shortly.

Other changes for Component 1 (*Familias*) included a reallocation of funds to increase the amount for the transfers' expenditure category and an extension of the closing date of the AF (Ln. 7433) from December 30, 2007, to June 30, 2008. The registration process for the expansion to new municipalities took slightly longer than planned and the rate of participation (60 percent of eligible families) was lower than initially estimated (70 percent). To some extent, this was a result of the expansion of the program into urban areas where the task of informing potential participants and getting them to register has proved more difficult in all of the CCTs in the Latin America Region (See Annex 2 and Figure 2.2 for more discussion of this point).

In the case of Component 2, two changes occurred. The loan was amended to allow the National Fund for Development Projects (FONADE) to be substituted by the Ministry of Social Protection since the latter agency had the capacity to implement the project directly (countersigned by Borrower September 2006). This was consistent as well with the policy of the Bank to move towards use of country systems. The closing date was extended a year from the original date of December 30, 2007, because of the delay in the start of Project activities caused by the change in implementation arrangements among other factors. In addition, at Project closing, about US\$200,000 remained undisbursed

⁶ The target for the original Project had been to increase the number of families covered by the program from about 340,000 in 2004 to 400,000 by 2005/6. By end-2006 this target was exceeded by a substantial margin. Instead of expanding coverage to the 57 additional municipalities originally envisaged, the program expanded to 75 additional municipalities by end-2005, and 220 (accumulated) by end-2006. Accordingly, the number of SISBEN 1 families registered increased to 412,000 by end-2005 and to about 510,000 by end-2006.

mainly because envisaged expenditures for training, goods and operational costs had been covered by national resources.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Project preparation and design reflected sound analytical and operational analysis derived from Bank prior involvement in the Colombian social protection system. An earlier Bank loan (Ln. 7050) supported the creation of *Familias*. This project was a logical extension designed to support technical advances through pilots and several initiatives. Additionally, the Bank had supported social sector reforms, including the creation and development of the Ministry of Social Protection, through a series of sector adjustment loans.⁷ The Project incorporated background and lessons from previous projects and sector work, as well as international experience on conditional cash transfer programs.

The statement of development objectives for Component 1 (*Familias*) could have been better focused on the specific results expected for poor families (increase in consumption and human capital formation). However, the Project Appraisal Document discussed these expected outcomes and they were important in the context of Colombia's circumstances and development priorities, as well as of the Country Assistance Strategy. The definition of the Project objectives for Component 2 appropriately reflected the nature of the technical assistance activities.

Both implementing agencies, *Acción Social* (Component 1), and MSP (Component 2) had sufficient capacity. IADB was a key partner of the Bank for Component 1, continuing the history of joint support to *Familias*.

The commitment of the Government to *Familias* was clear. According to the National Development Plan (2006-2010) *Familias* had a central role in social policy and poverty reduction. Also, the National Council for Economic and Social Policy (CONPES) approved in June 2005 a document which laid out the design and implementation of a M&E system for the social protection system. The assessment of risks and the discussion of mitigation measures were comprehensive for both Project components and correctly included mention of the 2006 elections. Most risk mitigation measures for Component 1 were incorporated into the design and operating arrangements for *Familias*. Risk mitigation measures incorporated into the design of *Familias* worked effectively. Two risks did not materialize. There was concern that budget cuts could reduce counterpart resources, but the Government contribution to the Project exceeded expectations. Nor did violence impede the operation of the program. The risks identified in the Project Appraisal Document for Component B were generally relevant and adequately mitigated,

⁷ See Implementation Completion and Results Report, Series of Programmatic Labor Reform and Social Structural Adjustment Loans I and II and a Labor Reform and Social Development Policy Loan III, December 21, 2007.

although in one case (foster the use of results of the M&E system by civil society) actual progress fell short of the overly ambitious appraisal design (see next paragraph).

Project design was not overly complex, although the two components were not closely related. The design for *Familias* was not overambitious and the program was able to carry out most of the innovations and pilots (See Annex 2). Overall, Project design and quality at entry is considered to be *moderately satisfactory*. In addition to the fact that the project development objective for Component 1 did not focus on the specific results for poor families, which is mentioned above, there were two other shortcomings. The first was an oversight in the Bank review of procurement arrangements which did not include the agreements with paying agencies (commercial banks) to handle the payments for *Familias*, even though the commissions charged were financed under the Bank loan (more details in 2.4 on fiduciary issues). This is considered a moderate shortcoming. The second weakness is that the design of Component 2 underestimated the time required to design, pilot and implement the complex and large M&E system needed for the national social protection system. In fact, the Project Appraisal Document is somewhat ambiguous on the expected reach of this component. While it was stated that the Project would finance the initial planning and piloting of MSP's integrated results-based M&E system, the outcome and intermediate results indicators assume that the system would be fully operational by the time the Project closed. This is considered a minor shortcoming.

The Quality Assurance Group (QAG) rated quality at entry as Satisfactory.

2.2 Implementation

Overall, Project implementation went smoothly, despite a number of challenges. By the end of 2007 *Familias* had registered 1.7 million families, including 250,000 displaced, exceeding the projections in the AF Project Document. The program built on the previous experience and installed capacity of the staff of the National Coordination Unit within *Acción Social* and government commitment (national and local) to the program was sustained. Nearly all municipalities signed participation agreements with the program and national financing exceeded expectations. Progress was made to identify sustainable sources of financing by tapping unutilized resources from earmarked taxes for the Colombian Institute for Family Welfare (ICBF). The timetable for the expansion as well as the priority given to reaching the goal of 1.5 million beneficiaries collecting transfer payments by the end of 2007 did strain the management information system and the procedures and system to verify compliance with conditions. This may have been exacerbated by the decision to compensate for the shortfall in reaching the targeted take-up rate of 70 percent by accelerating the expansion into large urban areas (using national resources).

Based on its experience with conditional cash transfer programs in Colombia and other countries, the Bank accompanied the expansion by providing technical support and responding positively to the request for Additional Financing when the Government decided to accelerate the expansion of *Familias*. Cooperation with the IADB remained close. At the request of the government of Colombia, the two Banks have alternated on the provision of financing, while working jointly and continuously on Project supervision

and technical support. For example, the Bank staff closely accompanied the preparation of the first phase of a multi-phase operation to support *Familias* (CO-L1021).

There was a delay of about a year in the start of implementation of Component 2 due to 3 factors. First, because of the high fee charged by the National Fund of Development Projects (FONADE), MSP decided to handle financial management and procurement, requiring that the loan be amended. Second, the selection of consultants was delayed by a government regulation enacted in December 2005 which prohibited the hiring of consultants as of 4 months prior to the May elections (end January 2006). Third, there were 3 successive changes in the Director of Planning of MSP over a period of 4 months. Once the component began to be implemented (planning in late 2006 and start of activities in early 2007), progress was satisfactory and the MSP proved fully capable of handling financial management and procurement. The MSP approached the M&E activities from a systemic view of the social protection in Colombia, covering social security (health-public health, public health, health services, and insurance; pensions and unemployment; and workmen's compensation), social promotion, and labor (training, labor relations, labor intermediation). This was more ambitious than the implicit focus on "programs" in the component description in the Project Appraisal Document. The quality of technical management and of the consultants hired was good. Although Component 2 covered many substantive areas (health, training, social assistance, pensions) since the Bank had been involved in these issues through either previous analytical work or policy-based lending, it was possible to tap staff resources with the required expertise to provide technical support even if they were not members of the core team. The risks identified in the Project Appraisal Document were generally relevant and adequately mitigated, although in one case (foster the use of results of the M&E system by civil society) actual progress fell short of the overly ambitious appraisal design.

2.3 Monitoring and Evaluation Design, Implementation and Utilization

Design is assessed as satisfactory for both components. In the case of Component 1 indicators focused more on process (% of families complying with conditions) than on outcomes for children (improvements in consumption and health and education levels), but high quality, reliable information on the latter was available using effective data collections methods since a rigorous, methodologically sound impact evaluation was in place. This evaluation used a quasi-experimental approach, with surveys of a group of beneficiary families and a group of "control families" which did not benefit from the program, but shared characteristics with the beneficiaries, between 2002 and 2006. Municipalities were selected using a non-random process. To avoid the problem of pre-existent differences between control and treatment areas, the authorities decided to use two methods: difference in difference (DD) and controlling for observable differences⁸. The design of the evaluations for the urban pilots was also satisfactory. The take-up and targeting indicators were both relevant and important. It should be noted that the targets

⁸ For details see Government of Colombia (2008), "*Programa Familias en Acción: Impactos en Capital Humano y Evaluación Beneficio-Costo del Programa*", *Evaluación de Políticas Públicas*, No. 6.

associated with the outcome indicators of Component 1 were set with a particular expansion plan in mind (mostly in rural areas), while the program later evolved to focus also on urban areas, where the targets can be expected to be very different (see lessons learned). This highlights the difficulty inherent to the establishment of targets for an operation that supports an evolving and growing program. In the case of Component 2, the indicators were appropriate for the technical assistance activities, focusing on measures of progress and product delivery.

M&E Implementation was partially satisfactory because the planned impact evaluations for 2 urban pilots (Pozón/Cartegena and Bogotá/Soacha) were not finalized. For the former, the program started operating before the baseline information was able to be gathered. For the latter, baseline information was available but the first follow-up was impossible because *Familias* expanded to cover the control group. An impact evaluation was carried out successfully for the urban pilot in Medellín. The last round of data collection for the impact evaluation of *Familias* in rural areas and small municipalities was carried out in 2006 and the analysis completed in 2007. Adequate information on process indicators was available from the Management Information System of *Familias*. In the case of the indicator on targeting performance of *Familias*, an alternative measurement had to be used because the required household survey data was not available. In the case of Component 2, appropriate data was collected to monitor the progress of designing the monitoring and evaluation system for the MSP.

M&E Utilization is assessed as satisfactory. The results of the evaluations, in particular the findings from urban areas (both the Medellín pilot and larger municipalities in rural areas in the original evaluation design), were critical in the design of the program for its expansion into urban areas. In addition, the evidence from a secondary education conditional cash transfer implemented by the city of Bogotá was considered. In particular, it prompted the program management to eliminate the incentive for primary school enrollment and attendance and focus on older children's education. The National Coordination Unit of *Familias* utilized the information from their management information system (MIS) to identify problems, especially at the regional or municipal level, and take remedial actions and follow-up. The MIS incorporates a system of "alarms" which identifies localities whose performance deviates significantly from the norm. The MIS is being further strengthened under the follow-up project and continues to be critical for program management. In the case of *Familias* the monitoring and evaluation arrangements are highly likely to be sustained over the life of the program. A rigorous impact evaluation for the expansion into urban areas as well as improvements in the Management Information System are supported by the follow-on project. In the case of Component 2, as of 2009, the MSP is continuing the efforts under the Project in order to make its M&E system operational. Sustainability of M&E arrangements for both components is likely because they are part of a national effort to promote management for results and systematically monitor and evaluate public programs. Under the National System of Evaluation of Public Sector Performance (SINERGIA), the National Planning Department coordinates with other agencies the regular monitoring and evaluation of key programs through a series of process, institutional and impact evaluations and the broad dissemination of findings and recommendations.

2.4 Safeguard and Fiduciary Compliance

Safeguard Compliance. The project triggered the safeguard policy relating to indigenous peoples and an Indigenous Peoples Development Plan was prepared according to Bank policy and procedural requirements. The Project Appraisal Document had identified the need to adapt *Familias* to specific population groups as a second-generation issue. The social assessment found that the program had generally generated a high level of interest among ethnic groups and appeared to have had similar positive impacts on ethnic minority households and communities as it had in other communities, but also identified some areas for improvement. The IPDP consisted of further studies and some specific actions regarding the program's training strategy and improving the monitoring of the ethnic beneficiary population.

The additional financing did not lead to new safeguard issues, but in the areas of Project expansion (167 municipalities), the Indigenous Peoples Policy (OP 4.10) applied. Related to the application of those requirements, the *Familias* National Coordination Agency decided to expand a study planned in the IPDP for the original Project which was intended to develop a program strategy for ethnic populations with a special focus on promotion activities, targeting procedures, training needs and payment procedures, by adding a pilot test of its recommendations. The purpose was to identify which specific adaptations in the operating procedures of the program were needed to facilitate expanded coverage of indigenous communities and to incorporate them in an annex to the *Familias* operational manual. The study and subsequent pilot incorporated a consultation process to ensure culturally appropriate benefits and broad community support. During 2007 the program carried out a pilot in 4 municipalities in three departments encompassing 3 ethnic groups. The experience of the pilot was the base for preparation of the IPP for the follow-on project (disclosed October 2008) and the preparation of an annex to the operational manual on the special arrangements in indigenous communities which was discussed and agreed during preparation of the follow-on loan for *Familias*. Two examples of adaptations made are the use of the indigenous census and community validation of beneficiary lists to select eligible families and the inclusion of traditional authorities as signatories to the agreements with the program.

Fiduciary Issues. The implementing agencies (DAPR-*Acción Social*-FIP and MPS, respectively for Components 1 and 2) broadly complied with the Bank's fiduciary requirements. Submission of one FMR and the first audit report for Component 1 were late. Project FM performance was assessed 'moderately satisfactory'. There were no significant audit findings. Most of the comments in the audit report were related to weaknesses in the MIS for *Familias*. These issues were followed-up in the next project by incorporating a systems audit completed in early 2009. There were two minor deviations in the disbursement arrangements described in the Project Appraisal Document. First, the statement of expenditure form did not include a separate column to show the balance of refunds from prior payments to beneficiaries. Second, because of the time it took to complete the payment and reconciliation cycle, there was a longer lag than expected in the receipt of the documentation on the refunds (uncollected checks) from the

first payment to beneficiaries financed under the loan, and the deduction of this amount from a subsequent payment request.

There was an oversight on Bank review of procurement under Component 1 at the time of Project appraisal. There was no procurement involved in the transfers' category, which accounted for the bulk of the loan. However, Bank commissions to be financed under the loan (initially estimated at around US\$3 million, rising to US\$10 million, including Additional Financing) were classified under operating costs although they were relatively large expenditures and governed by existing agreements between the program and several commercial banks. These agreements should have been reviewed and described in the Project Appraisal Document. The ex-post reviews (2) for Component 1 covered relatively small expenditures on individual consultants working on specific issues (indigenous themes or early childhood development) and the results were satisfactory. One ex-post review for Component 2 was carried out in February 2009 and the results were satisfactory. One of the conclusions was that the MPS possessed sufficient capacity to implement the procurement plan and to administer the contracts.

2.5 Post-completion Operation/Next Phase

The Colombian National Council for Economic and Social Policy approved borrowing for up to US\$1.5 billion from the Inter-American Development Bank and the World Bank to finance the operation of the expanded *Familias* during 2007-2010. The fourth World Bank loan to support *Familias* through 2009 and 2010 was declared effective on February 9, 2009. It is intended to provide a vehicle for continued technical support for the challenges currently faced by the program, including operating in large cities and in new areas some with low capacity (indigenous and Afro-Colombian populations), modernizing procedures, and addressing exclusion errors. The theme of social protection and in particular *Familias* is prominent in the government's strategic vision for the country's development in the next 15 years, known as *Vision Colombia 2019*. According to the National Development Plan 2006-2010, *Familias* is a key element in the social protection system and in the strategy to reduce extreme poverty. The cost of *Familias* is financially sustainable within the Medium-Term Expenditure Framework (2006-2010), which sets ceilings on public investment and recurrent spending, consistent with the overall fiscal targets of the government and accounts for 2 percent of social spending. For 2009, program costs would represent about 0.27 percent of GDP.

As of mid-2009, the MSP continued to develop the M&E system supported under Component 2 and is furthering its operation as part of the Ministry's regular activities in the Planning Department. It is expected that the system will generate the necessary monitoring reports for the various dimensions of the social protection system based on the initial design. The MSP has hired a team of 7 consultants (the same who participated in the design phase and were financed under the Bank loan) with the objective of consolidating and institutionalizing the M&E system in order to ensure its sustainability. During 2009 MSP also expects to begin to contract the program evaluations which had been identified and the publication of reports and bulletins containing the information from the M&E system. MSP plans to expand the M&E system so that by 2010 the system is fully institutionalized and is operating efficiently. The MSP has also actively

participated in the development of the national SINERGIA methodology and evaluation program, and remains a key innovator and leader in M&E in Colombia. The further strengthening of SINERGIA is supported by another World Bank operation (Ln. 7620).

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

The objectives, design and implementation of the Project were highly relevant, and have remained consistent with Colombia's development priorities. In the case of *Familias* this is clearly demonstrated by the government's decision to expand the program (including the request for AF); maintain it as central program in the social protection system and its extreme poverty reduction strategy; and the approval of a fourth loan in support of the program. In the case of the M&E System for MSP, the objectives were and remain highly relevant to the government. In fact, a loan was recently signed to support the national efforts to improve monitoring, evaluation and the quality of information. (Ln. 7620) The MSP continues to consolidate its role as the lead agency in social protection, including in the efforts to improve and strengthen the system.

3.2 Achievement of Project Development Objectives

Objective of Component 1: To strengthen the country's social safety net by consolidating and expanding the successful Familias Conditional Cash Transfer program.

Familias expanded to register 1.7 million families (including 250,000 displaced), exceeding the figure in the Project Document for the additional financing. In terms of **outcome indicators**, the program displayed a strong performance on targeting (first outcome indicator). To measure this indicator, an alternative measurement had to be used due to unavailability of the data on income and consumption poverty at the time of writing this ICR. Although it is not possible to fully compare the original target with the alternative measurement, in substance the target can be considered to be met, with circa 95 percent of beneficiaries of the program belonging to the poorest 20 percent of the population (in terms of SISBEN assets score). More details related to the targeting outcome indicator can be found in Annex 2.

On the other hand, while gains were registered for the 3 other outcome indicators, the values observed as of the closing date for the component (mid-2008) fall short of the targets set, as shown in the table below. The coverage of the eligible population of the program is below the target, even if it improved from the baseline. Indeed, it proved difficult to raise the rate of participation among eligible SISBEN 1 families, in large measure because the take-up rate is much lower in larger cities and the program expanded into these areas. This lower take-up in urban areas is to be expected, and has been the experience with other CCT programs in Latin America. In retrospect, the high target take-up rate set in the original Project was too ambitious for a program that was expanding into more urban areas. Annex 2 contains more discussion of the shortfall in the

participation rate, particularly the performance in large cities. Similarly, it proved difficult to increase the rates of compliance with the education and health conditions amongst beneficiaries. This is partly due to the rapid expansion of the program, which in some areas was accompanied by a temporary gap in the operation of the system of verification of compliance with conditions. This gap resulted in difficulties in controlling compliance, which does not signify that the children themselves were not attending school or visiting health centers. The pace of expansion of the program led to shortcomings in its operation which account for some of these results.

In terms of overall impacts on results, which are the ultimate objective of the program, the results provided by the impact evaluations more than counterbalance these shortcomings. Indeed, the impact of the program on education, health and nutrition outcomes for the beneficiaries (both linked to the actual transfers and to the increase in enrolment, attendance and visits to the health centers) are large and significant – children increasing their attendance (especially in rural areas), their nutritional status (especially amongst young children), and their status at birth (higher weight) (see section below for further details).

Targets for the **intermediate indicators** relating to the expansion were exceeded, and the target in terms of establishment of collaboration agreements between the program and municipalities was almost met. Indeed, over 1,000 municipalities signed agreements, with the notable exception of the capital city of Bogotá. The other shortfall, as mentioned earlier, is on the target set for the take-up rate in the new municipalities (mostly urban areas and large cities), which was over-ambitious in light of the experience in other countries. With the introduction of the *Red Juntos* program in Colombia, which focuses on identifying the poorest households, and with the stabilization of the *Familias* program itself once the expansion is completed, the take up of *Familias* can be expected to increase over time.

Indicator	Baseline	Target	Actual Value at Completion
Outcome indicators			
At least 40% of benefits of <i>Familias</i> going to bottom quintile	40%	40%	95.6%*
At least 70% of SISBEN I families covered in participating municipalities	60%	70%	62.1%
At least 80% of primary-age school children in extremely poor beneficiary families attending school at least 80% of the time	70%	80%	71.9%
At least 95% of beneficiary 0-6 year old children completed growth monitoring and health check-ups, according to MSP protocol	90%	95%	91.7%
Intermediate indicators			
At least 70% of the total revised SISBEN 1 families in newly entered municipalities are registered in the program.	0	70%	66.4%

Indicator	Baseline	Target	Actual Value at Completion
100% of municipalities have signed a collaboration agreement with program.	0	100%	99.9%
Beneficiary information booklets designed, published and distributed to new municipalities with training.	0	57	466
System for monitoring human capital conditions operating for new selected areas.	0	57	466**

*Actual value uses a different methodology than baseline indicator, as explained in Section 3.2 on p. 12.

**During program expansion in 2007, there were gaps in the operation of verification system in some localities, but this was corrected by mid-2008.

Note: Outcome indicators are in bold. Others are intermediate indicators. Two intermediate indicators are updated in Table 2 in Annex 2.

The Project also aimed to support *Familias* in its transition phase to a larger, second generation CCT program, which included implementation of pilots, testing of innovations, and advances in program strategy and design. Satisfactory progress was made in this area which covered a series of specific issues. Highlights are presented here with more details available in Annex 2. Improvements in the targeting instrument (the responsibility of the National Planning Department) plus the capacity of the *Familias* National Coordination Unit enabled the program to take on these additional challenges, addressing some second generation issues identified in the Project Appraisal Document, although not without difficulties in some areas. For example, the expansion of the program was combined with a re-certification process. Those participants who no longer qualified (about 150,000 families) were dropped from the program. This process was not completely smooth since effectively all participants were dropped from the program and then had to re-register. The program adapted its operations to more diverse regional areas as it expanded, for example poorer municipalities on the Pacific Coast with a high share of Afro-Colombian population. The innovation of paying families in nearby municipalities or in temporary sites in locations without banks (*caja extendida*) was carried out, and based on its success, extended to 167 municipalities. The program also began efforts to modernize the verification system in order to exchange databases with service providers. In September 2006, the government through the National Council of Economic and Social Policy (Document #102 – Social Protection Network for Extreme Poverty) defined the role of *Familias* as the entry point and cornerstone for the new strategy and ratified the continued role of *Acción Social* as the implementing agency and institutional home. More recently this strategy is being complemented with measures which would address the exclusion errors identified in *Familias*.

Results of Impact Evaluation

According to the most recent results of the impact evaluation of the program (based on data collected in 2006) in rural areas and municipalities of less than 100,000 inhabitants,

Familias had a significant positive impact on the human capital factors which the program was trying to influence⁹. In particular, education, health, and nutrition outcomes had improved considerably amongst beneficiaries. These improvements are significantly larger than changes observed amongst control households.

Impact on education. The impact on attendance was largest for secondary students, especially in rural areas. In urban districts (department capitals), attendance rates increased by around 5 percentage points, while in rural areas the increase was a bit above 7 percentage points. Improvements were smaller for primary school attendance, with an increase of around 2 percentage points in rural areas, and no significant impact in urban zones. The lower impact on primary school enrolment is likely due to the higher initial enrollment. Children 14-17 living in rural areas experienced the largest effect of *Familias* on school attendance – an 8-9 percentage points increase.

Impact on health and nutrition. The impact of *Familias* on child nutrition was also noteworthy. The prevalence of chronic malnutrition (height for age) amongst beneficiary children aged 0 to 6 in rural areas is 9 percentage points lower than amongst children in the control group. The program also reduced global malnutrition (weight for age) in children less than 3 years of age in rural and urban areas, by 6 and 4 percentage points, respectively.

The program also had an impact in child birth weight, which increased almost a pound (526gr) in urban areas as a result of better nutrition among recipient mothers. The program also had a positive impact on breast-feeding, which increased by 27 percent (2.8 months) among children under 2 in rural areas and by 24 percent for children in urban areas. In urban areas, health controls increased by 44 percentage points for children between 3 and 7 years of age, and by 20 percentage points in rural areas.

Impact of Familias in Medellín. The authorities completed an impact evaluation on the effects of a pilot of the urban program in Medellín. This evaluation followed a group of beneficiaries and a control group over a period of a year, between October 2006 and December 2007. Overall, the evaluation of the program in Medellín shows positive impacts in education and health, but no measurable effect in nutrition. The short period of participation in the program is likely to limit the impacts observed, especially for dimensions which change slowly (e.g. nutritional status amongst older children).

The largest impact of the program on education is observed amongst secondary school students. School attendance for children in beneficiary families increased by almost 8 percentage points to 88 percent, while the control group saw an increase of only 4 percentage points. No significant effect was measured on primary school attendance,

⁹ For details see Government of Colombia (2008), “*Programa Familias en Acción: Impactos en Capital Humano y Evaluación Beneficio-Costo del Programa*”, *Evaluación de Políticas Públicas*, No. 6.

likely a reflection of the initially high level of school enrolment in Medellín. In terms of health, the prevalence of acute respiratory disease amongst children aged 0 to 6 in beneficiary families is 13.8 percent lower than amongst the control group children.

Objective of Component 2: Strengthen the country's social safety net by improving the monitoring and evaluation of the country's safety net portfolio.

Assessment of the achievement of project objectives in this case is complicated by two factors. First, the MSP approached the M&E activities using a systemic view of social protection (appropriate, more comprehensive and more ambitious), slightly different from the implicit approach on 'programs' reflected in the Project description and targeting indicators. Second, as mentioned earlier, the expected reach of the work on the M&E system was somewhat ambiguous in the PAD. While the terms "initial planning and piloting" were used in the component description, the indicators assume that the M&E system would be fully operational and publicly available.

The outputs associated with the 3 specific objectives are summarized below:

- **Results-based budget:** The MPS carried out a pilot with the Institute of Family Welfare. The result was a preliminary version of a results-based budget with the construction of 55 product indicators and 14 result indicators and the identification of baselines and targets for all of them.
- **Evaluation of current programs:** MPS identified the areas, methodology and themes most relevant for the system of social protection and prepared the Terms of Reference for the contracts. This evaluation agenda was presented and discussed with the Committee for Inter-sectoral Evaluations, led by the Evaluation Department of the National Planning Department. The agenda includes 14 evaluations of results, 6 of impact, and 4 of execution.
- **Improve transparency and accountability:** MSP organized a public audience where the advances on the M&E system were presented. MSP also designed a strategy for a continuous process of "citizen accountability" and a web page for the M&E system. Two bulletins, one covering general social protection issues and one covering workmen's compensation, were developed and are being reviewed with the intention of publication.

Annex 2 includes more details for both these objectives and for the 9 activities that were to be undertaken. It also includes a summary of the indicators (including baselines, sources of information, targets aligned with overall government priorities as set out in the national development plans and other documents) developed for each of the strategic objectives of the social protection system.

There were two outcome indicators for this objective:

- Publicly available information on the coverage, financing, and impact of key social safety net programs managed by the MSP and its affiliated institutions.
- At least 50 percent of social safety net programs of the MSP and at least two of its affiliated organizations are included in the M&E system.

The goal set out in the first outcome indicator was not achieved. Because the M&E system is not yet in operation, the information available to the public covers only: (a) the advances in the design of the system; (b) data on all investment projects in the social protection system, including their respective operational and results indicators and targets for 2008 and 2009, on the basis of which they will be monitored; and (c) inputs on social protection in government documents. In retrospect, this target was too ambitious given the 2 year implementation period of the loan. In the case of the second indicator, the design and structure of the M&E system for the MSP covers most of the institutions of the social protection system (there are some gaps, for example, family allowances and the related institutions). It can be considered that more than 50 percent of the system is included in the design of the M&E system, still not fully operational. For affiliated agencies, there are 20 agencies under the MSP, however 5 of these are being liquidated and only 7 have investment resources and these are included in the M&E system design so far. Information on the 3 intermediate indicators is provided in Annex 2. For these the targets have not been fully met, primarily because they are judged to have been too ambitious.

On the other hand, more generally, the Project has had a series of positive spillover effects, beyond the stated objective of setting up the system – in particular, it has contributed to the development of the national methodology for the monitoring of programs and investment projects and led to an effort to rationalize and re-organize programs in the ministry itself (through the introduction of logical frameworks for results).

3.3 Efficiency

The impact evaluation already referred to above included a detailed benefit-cost analysis of *Familias*. The analysis values the benefits of the program through the increased future earnings that result from: (a) lowered incidence of underweight infants, (b) lowered incidence of malnutrition and child morbidity among children zero to six years old, and (c) increased years of secondary schooling. The effects of *Familias* on these outcomes are derived from the impact evaluation and are then monetized using evidence from a combination of sources. Costs were also estimated. Comparing the benefit and cost figures, the authors estimate a ratio of benefits to costs of 1.59, which is high by traditional cost-benefit ratio standards and suggests that the CCT is worth its cost. It should be noted that this analysis does not consider other benefits, including the increased household consumption (other than through child nutrition and birth weight) and other later gains in productive, healthy lives for the children and society at large. Since Component B is technical assistance, no efficiency calculation was made.

3.4 Justification of Overall Outcome Rating

Rating: Satisfactory

If the team were to rate the outcome of this project strictly on the basis of performance on the outcome indicators, it would be moderately satisfactory. However, after taking into

consideration the overly ambitious indicators, the rigorous evidence that *Familias* improved human capital formation, and the achievements and positive spillover effects of the activities related to the M&E system of the MSP, the overall outcome rating is judged as satisfactory. In the case of the first objective (relating to the *Familias* CCT), the program expanded beyond expectations. While actual performance on most indicators fell somewhat short of the target, there were improvements compared to the baseline, and these can be considered significant in the context of the major expansion of the program during Project implementation. Most importantly, the results from the rigorous impact evaluation validated the program's positive and substantial impact on household consumption and human capital formation among children. Progress was made on the series of activities related to the maturation of the program. In the case of the second objective (relating to the MSP M&E system), while achievements fall short of the targets set out in the chosen indicators, this was primarily a result of being overambitious in the time frame of the Project. In addition, the component went beyond the scope of the activities and adopted a more ambitious and relevant approach. The overall outcome rating is based on the larger weight of the first objective in the Project, as well as the substantial achievements for the second objective.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

The expected impact of *Familias* in reducing poverty was achieved. The results of the impact evaluation showed that the program reduced the rate of poverty for participating households by nearly 3 percentage points overall, and to a greater extent in rural areas. There was a larger reduction in extreme poverty (nearly 17 percentage points) with a larger impact in more urban localities. This result suggests that the program was effectively targeted to the very poorest households. Information on other impacts is available for the independent spot checks which the program contracts which include surveys of beneficiaries. Nearly all mothers participating state that their family benefits from the program, and that without the program, it would have been more difficult to ensure the school attendance of their children and sufficient food for them. They value the opportunity to socialize with other mothers, receive useful information, and strengthen their role within their own families. The mothers have a positive view of the “*encuentros de cuidado*” organized by the program not only because of the information they receive, but also because of the chance to meet other mothers and the local authorities. In broad terms, the survey responses demonstrate that the program has promoted social capital and social control, especially for the mothers. This positive view of the program among beneficiaries should contribute to its sustainability.

(b) Institutional Change/Strengthening

Component 2 helped to increase the institutional capacity of the Ministry of Social Protection because it helped to develop technical instruments and information which assisted in the decision-making process. In fact, the achievements of the Project are concentrated in this area, rather than only the development of a M&E system. The work

financed by the Project contributed to the broader work of the Ministry in several specific areas including the definition of the National Public Health Plan, defining the framework for the medium-term expenditure framework, and modification in the organizational structure of the Vice-Minister for Labor. In that sense the project contributed to the longer-term development of the capacity of the Ministry of Social Protection. It also contributed to broader changes in the institutional capacity of the national government in monitoring and evaluating its programs, in particular through its participation in the efforts to implement SINERGIA.

(c) Other Unintended Outcomes and Impacts (positive or negative)

Not applicable

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

Not applicable

4. Assessment of Risk to Development Outcome

Rating: Low or Negligible

The assessment of risk to development outcome in the Project is negligible to low. For both objectives, implementation is well aligned with the operating environment in Colombia and in the Bank. Ownership by Government and other stakeholders is high. More specifically, referring to the first objective, *Familias* is in its 7th year of operation and continues to be important in the Government's development plan. The government has maintained a central role for *Familias* within the strategy to reduce extreme poverty. *Familias* is generally well regarded by the population and local authorities. The positive, independent impact evaluation results and the quality of the program have helped to build a consensus for it. There is strong evidence that after several years of operation, public and private institutions and civil society accept the program. In late 2008 the government of Colombia decided to expand *Familias* to a target of nearly 3 million families, thereby covering a higher share of those eligible mainly in urban areas, including large cities. On the one hand, the continued expansion of *Familias* could improve its impact if it helps to reduce exclusion errors and the adjustments made in urban areas are effective in maintaining its positive impact on secondary school attendance. On the other hand, the results in large cities could be less than has been recorded so far in smaller localities and could require further adjustments to the program design in order to be effective. Development outcome would also be protected by the planned improvements in underlying systems such as the targeting instrument and the Management Information System which would serve to strengthen the program technically. Follow-on financing from both the Bank and the IADB, as well as from domestic resources, has been arranged through 2010 and the program is included in the Medium-term Expenditure Framework.

In the case of the second objective, the rating is the same. The Ministry of Social Protection continues to have a lead role in social protection for strategic and regulatory

functions. In addition, the Ministry has developed specific plans and actions in order to institutionalize the activities supported by the Project.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Satisfactory

The Bank's performance in ensuring quality at entry was *moderately satisfactory* for the following reasons. The Bank had long been involved in social protection and related areas in Colombia, via substantial analytical work and investment and adjustment lending and this is reflected in the quality of background analysis and in project design. The Bank project team was broad based, incorporating needed expertise and several staff and consultants with experience in conditional cash transfer programs. On technical aspects, the Project incorporated the lessons from the previous loan which supported the initiation of *Familias* and international experience on CCT programs. The economic analysis was solidly grounded on the results of the first round of the impact evaluation of *Familias*. Project preparation and design satisfactorily addressed gender and social development aspects, carrying out a social assessment and supporting the preparation of an Indigenous Peoples Development Plan (IPDP). Monitoring and evaluation arrangements for *Familias* built on an existing strong impact evaluation design, whose results would be updated during project implementation and the management information system in place. Component 2 responded well to the requirements of the MSP.

However, there are moderate shortcomings. One, project development outcomes and indicators could have been better developed, in the case of *Familias* (Component 1) to focus more on the specific results expected for poor families (increase in consumption and human capital formation). Also, as discussed earlier, the Bank team should have considered adjusting some of the targets when the AF was presented in light of the planned major expansion of the program. Indeed, the large expansion (in contrast to the small expansion envisaged in the original Project) should have been expected to result in a lower take up (as per international experience) and the period of expansion could be expected to present a series of technical challenges that would temporarily disrupt some of the program's operations. A second moderate shortcoming is the oversight in the procurement analysis. The review of the existing agreements between the program and several commercial banks to handle the payments to beneficiary families which should have been carried out was neglected. This oversight may have occurred because these expenditures were included as part of operational costs, in spite of their high value (initially estimated at around US\$3 million, rising to US\$10 million, including Additional Financing). These agreements should have been discussed in the Project Appraisal Document, although the expenditures accounted for a relatively small share of loan financing (5 percent as of closing).

The Quality Assurance Group (QAG) rated the quality at entry of this project as Satisfactory. QAG rated two dimensions--Policy and Institutional Aspects and Implementation Arrangements -- Highly Satisfactory and none less than satisfactory.

(b) Quality of Supervision

Rating: Satisfactory

Bank performance is rated *satisfactory* for the following reasons. The team focused on development impact, reporting regularly the performance on 6 indicators, including key outcomes. Close attention was paid to the results of the ongoing impact evaluation of *Familias* as well as the Medellín urban pilot. During supervision visits the Bank team discussed with the Colombian authorities the strategy to reduce extreme poverty and changes in the targeting strategy and methodology. The Bank team participated in two seminars organized by the Government on issues related to the expansion of conditional cash transfer programs into urban areas. The Bank responded in a timely fashion to the Government's request for Additional Financing in late 2006. Regular procurement and financial management reviews were carried out and the ratings reflected in the ISRs, although the Bank team could have been more proactive in identifying the gap in fiduciary oversight for bank commissions and taking remedial actions. The ISRs updated the implementation of the Indigenous Peoples Plan, particularly the expanded actions agreed for the Additional Financing.

Supervision inputs and processes were adequate. Supervision visits were undertaken and ISRs prepared twice year. Transition to a new task manager in mid-2006 was well-coordinated and thereafter fairly stable team composition allowed members to become well-acquainted with both components. The placement in the field of a highly qualified consultant experienced with government and social programs facilitated an ongoing dialogue on analytical issues. The team included members who were familiar with the context of social protection and the overall efforts of the Government on monitoring and evaluation. Specifically for Component 2, the Bank provided extensive feedback on the documents and activities carried out through meetings and discussions arranged with experts. In particular, at the request of the MSP, the Bank arranged for the participation of pension experts, including the delivery of training to MSP staff in-country. Supervision was coordinated closely with the preparation of the Additional Financing, of the Inter-American Development Bank loan, and most recently preparation of the follow-on World Bank loan. Management reviewed and commented on the issues raised in the ISRs. The Project was included in a special review of control and accountability mechanisms in Conditional Cash Transfer Programs carried out in May 2006 by the Social Protection Sector of the Human Development Department of the Latin America Region¹⁰. The quality of performance reporting was satisfactory. Staff highlighted

¹⁰ *Control and Accountability Mechanisms in Conditional Cash Transfer Programs: A Review of Programs in Latin America and the Caribbean*, Operational Innovations in Latin America and the Caribbean, Volume 1, Number 1, March 2007.

important issues, including the delays in MSP on Component 2, low take-up during the expansion of *Familias*, difficulties with the agreement between the program and the city of Bogotá, and the likelihood that not all activities envisaged for component 2 would be carried out.

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Satisfactory

Taking into account the two moderate shortcomings identified in Bank performance in ensuring quality at entry, overall Bank performance is rated *moderately satisfactory*.

5.2 Borrower Performance

(a) Government Performance

Rating: Satisfactory

The Borrower's performance is considered *satisfactory*, from preparation through completion. Since Project approval, the Government has provided strong leadership in the area of social protection, to which it accords high priority. Project objectives were closely aligned to the goals of the National Development Plan and the Government's overall efforts to strengthen monitoring and evaluation of public programs. Decisions on poverty reduction strategy which included discussion on the future role of *Familias*, were closely coordinated between the Department of National Planning, *Acción Social*, and the Ministry of Social Protection. As a result, the Government decided to further expand *Familias*. At the time of both Project design and during implementation, the Department of National Planning was actively involved in discussions on *Familias*, particularly in the areas of impact evaluation, supporting analytical work (for example, the review of the structure of conditions and proposed modifications for urban areas) and participating in the review of the operations manual and added substantial value. National financing exceeded substantially the level which had been estimated. The Government also continued to give priority more broadly to their national agenda for monitoring and evaluation. One shortcoming in this area was the delays in the preparation of one of the impact evaluation designs, resulting in the inability to collect baseline information before the program registered beneficiaries. This was the responsibility of the evaluation group of the Department of National Planning. Finally, the Borrower was pro-active in donor coordination, specifying the desired arrangements for the provision of both financing and technical advice from the World Bank and the Inter-American Development Bank.

(b) Implementing Agency or Agencies Performance

Rating: Satisfactory

Acción Social through the National Coordination Unit of *Familias* was responsible for implementation of Component 1. The agency was highly committed to the objectives of *Familias* and key staff was highly capable and stable in their positions. Consultations with stakeholders, primarily with mayors and indigenous communities were on the whole

satisfactory. The relationship and coordination between the Program and the municipality of Bogotá after the program expanded into large cities in late 2007 was somewhat problematical. To date in Bogotá, the program operates under a general framework agreement between the municipality and *Acción Social*, instead of the more specific agreement with the program that it has with all other municipalities of the country. There are periodic, regular consultations with beneficiaries and other stakeholders through independent, periodic spot checks. The Project was ready for implementation because it was already in operation and the expansion targets (both in the original project and in the additional financing) were exceeded. Disbursement performance was close to target and even with the Additional Financing, Component 1 was only extended by 6 months from the original closing date. Fiduciary management is judged moderately satisfactory because of delays in receipt of the annual financial audit (2006) and FMRs (end date December 2007). Agency handling of reimbursement requests was satisfactory.

The Ministry of Social Protection through the Department for Planning and Policy Analysis was responsible for implementation of Component 2. Minor shortcomings included the initial delay in beginning implementation. Once activities started, the Ministry gave the activities high priority and ensured high-quality technical supervision and administrative support. Fiduciary management is judged satisfactory and agency handling of reimbursement requests was satisfactory. Both *Acción Social* and the MSP provided the Bank with bi-annual reports on implementation of the Project, as stipulated in the legal agreement.

(c) Justification of Rating for Overall Borrower Performance

Rating: *Satisfactory*

The Overall Borrower Performance is considered *satisfactory*, in view of the Government and the Implementing Agencies' performance.

6. Lessons Learned

- **Importance of strong Borrower commitment, ownership and leadership.** Since its creation in 2001, the objectives and coverage of *Familias* have evolved. The Government has expanded the program to cover the entire country and in the National Development Plan (2006-2010), defines its role in the social protection system and in the strategy to reduce extreme poverty.
- **The operation of CCT programs in urban areas presents certain challenges which need to be addressed.** These challenges are multiple. First, numerous municipalities already have their own programs, which need to be coordinated with *Familias*, to avoid duplication, confusion and high transaction costs. Also, there are municipalities with mayors with high political profiles, which might create obstacles to a smooth coordination and collaboration with national programs such as *Familias*. Finally, the international experience shows that there

are challenges in achieving a high participation rate in large cities, partly due to the different situation and needs of poor urban families, communication difficulties when the social networks are weaker, and higher opportunity costs for some families (transportation, etc.). The program will need to address the reasons for this lower take-up in the longer-run.

- **The operations of CCT programs in indigenous communities may require adjustments in the standard procedures.** Modifications may be necessary in targeting instruments, the negotiations process, and the types of agreements signed with local authorities.
- **A pro-active role of the government in donor coordination can be effective in providing an overall framework for cooperation.** The Government requested that the World Bank and the Inter-American Development Bank provide sequential financing for *Familias*, but requested that the two agencies organize their technical and operational support as if they were co-financing. In practical terms, this meant that both institutions cooperated in Project preparation and supervision, regardless of the stage of their particular financing.
- **Substantial time and effort is required to establish a monitoring and evaluation system for the social protection system.** Given the complexity of the social protection system (social security, social promotion and labor market and employment) and the numerous entities involved each with different institutional structures, the task of articulating a design should have envisaged much more time than the 2 years envisaged. This was particularly the case for the MSP, given that the design process implied continuous training and capacity strengthening activities for the entities in the sector which needed to occur in parallel with the advances on design.
- **If there is sufficient ownership of monitoring and evaluation activities, there can be important spill-over effects.** In the case of MSP, the process to design the M&E system facilitated the organization and expansion of knowledge about the operation of the social protection system and contributed to the definition of indicators to guide actions in some areas. For example, in the case of *Juntos* (the network for the reduction of extreme poverty) the program decided to use the indicators developed by the MSP. In addition, the project spearheaded work on the regulatory details for law 1122/07, article 2, related to the monitoring of health and welfare indicators, and in a way that it was consistent with the design of the M&E system.
- **Reaching the poorest households is a challenge.** Targeting the poorest is a difficult task, as these groups are the hardest to reach, because of their isolation, their high degree of physical mobility, their lack of connection with social services and other networks. The program will need to continue to work on improving its outreach mechanisms, to deploy greater efforts to reduce errors of exclusion (when eligible families are not in the program). The experience with

the *Red Juntos*, which has a mandate to identify and reach the poorest of the poor will provide important lessons.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

(b) Cofinanciers

N/A

(c) Other partners and stakeholders

N/A

Annex 1. Project Costs and Financing (Lns. 7337 and 7433)

Summary Project Costs

Component/ Category of Expenditure	Appraisal Estimate (includes AF)			Actual (USD millions)			Percentages		
	Bank (1)	Gov. (2)	Total (3)	Bank (4)	Gov. (5)	Total (6)	(4)/(1)	(5)/(2)	(6)/(3)
Component 1: Consolidation and Expansion of <i>Familias en Acción</i>	189.85	6.34	196.2	189.85	80.89	270.74	100%	1276%	138%
A. Subsidies	178.9	.920	179.8	179.7	69.4	249.1	100%	7543%	139%
B. Bank Commissions	10.7	.560	11.3	10.1	.870	11.0	94%	155%	97%
C. Studies	.250		.250	.047		.047	19%		19%
G. Project Administration ¹¹		4.860	4.860		10.621	10.621	219%	219%	219%
Component 2: Improving the Monitoring and Evaluation System of MSP	1.4	0	1.4	1.2	0	1.2	86%		86%
Total	191.25	6.34	197.6	191.05	80.89	271.94	99.9%	1276%	138%

¹¹ Government-financed administrative costs for *Familias* was not included in the project document for AF, so figures reflect estimates only at time of appraisal of original Project. Higher actual cost (US\$10.6 million vs. US\$4.86 million) is explained by the major expansion of program as well as the 6 month longer implementation period.

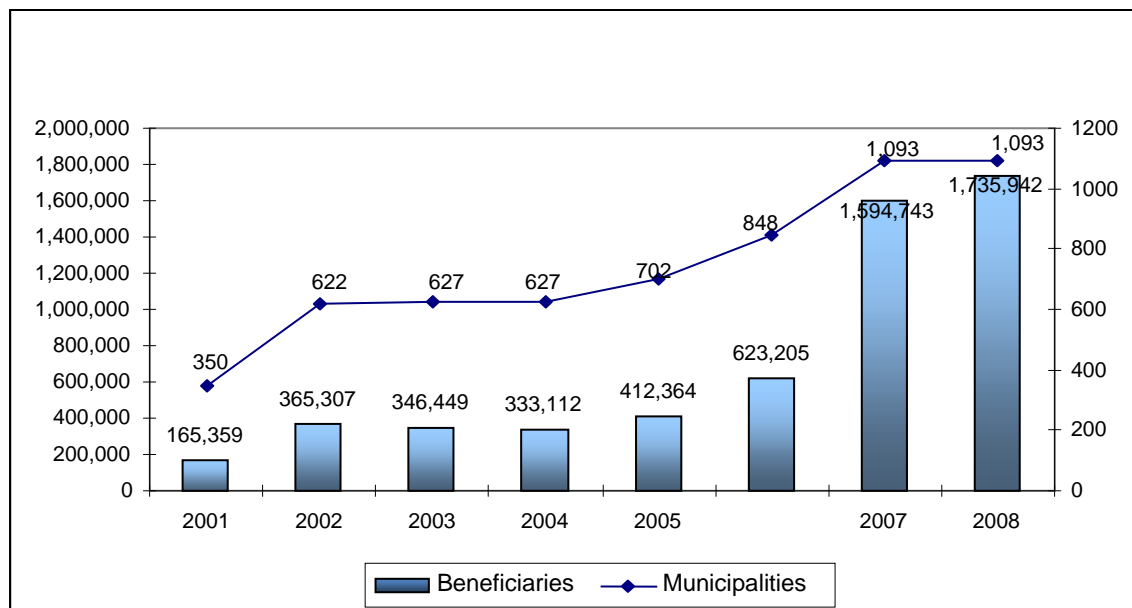
Annex 2. Outputs by Component

Component 1: Consolidation and expansion of the *Familias en Acción* program (US\$190 million in loan financing, including Additional Financing).

In the case of component 1, this annex contains additional detailed information on outputs in 3 general areas during Project implementation: expansion of the program; data on the number of children participating for whom transfers were received; an update on progress on the innovations and/or second generation themes which were expected to be addressed, including some information related to intermediate outcome indicators; measurements of targeting performance; and more discussion of the factors behind the shortfall in the target set for the participation rate.

Program Expansion. When *Familias* started it operated only in municipalities which had a population of less than 100,000 and the required education, health and banking services, and included only those families classified as poor (level 1 according to the SISBEN). In 2004, the program reached around 340,000 families in 627 municipalities. As the table below shows, between 2004 and mid-2008, the number of municipalities participating increased by 75 percent, and the number of participating families more than tripled and covered displaced families as well as SISBEN 1 families.

Figure 2.1: Families in Action



Source: *Familias* Program data. Figures refer to registered families. Only those families complying with the conditions receive transfers. Figures include both SISBEN 1 and displaced families, the latter financed with national resources. Displaced families receiving transfers totaled about 110,000 in 2006, 170,000 in 2007, and 240,000 in 2008.

Number of children participants for whom payments were made. The table below shows the trends in the number of children for whom transfers were paid by the *Familias* program.

Table 2.1: Summary of Child with Payments by Type of Subsidy

Period	No. of Municipalities	Nutrition	Primary School	Secondary School	Total
2002	620	247,342	322,587	184,475	754,404
2003	627	264,537	345,004	197,303	806,844
2004	627	225,460	357,159	218,562	801,181
2005	702	275,622	438,362	293,986	1,007,970
2006	848	513,130	578,204	411,282	1,502,616
2007	1093	1,679,634	1,119,174	961,159	3,759,967

Table 2.2: Progress on Implementing Innovations and Addressing Second Generation Issues

Innovations/Second generation issues identified in the Project Appraisal Document	Status as of June 30, 2008
Well-defined entry and exit rules.	Entry and exit rules made clearer in most recent version of Operations Manual. Indicator to monitor exits with detailed data on reasons added in follow-on project.
Appeals mechanism for rejected cases.	Better defined in Operations Manual and decision made recently to accept “new families” who were registered previously in SISBEN.
Work with local organizations in urban areas in order to address exclusion errors.	Strategy turned out to be different, focusing on synergies with local public services (schools and health facilities) as well as media.
More flexible entry criteria.	Permanent registration procedures established for the displaced population. Pending challenge is to extend that mechanism to other eligible families.
Establish procedures for regular re-certification.	In 2006-2007, those beneficiaries who were not classified as the lowest level of SISBEN when the revised targeting instrument was applied were dropped (an estimated 150,000 families). No standard procedures for re-certification established. No decision yet made on how the newest version of SISBEN being rolled-out in 2009-2010 would be incorporated.
Adjustments for diverse regional areas and population groups.	Program made substantial adjustments for indigenous communities, urban areas, and populations with a high proportion of Afro-Colombians (in operations manual, structure of conditions, promotional activities). In

Innovations/Second generation issues identified in the Project Appraisal Document	Status as of June 30, 2008
	indigenous communities registration requirements are different and operation is based on the leadership of traditional authorities and existing community organizations.
Strengthen links to other programs that could help families improve their standard of living more rapidly and address issues of complementarity between <i>Familias</i> and other programs such as <i>Hogares Comunitarios</i> .	Decision made to drop eligibility restrictions for children in <i>Hogares Comunitarios</i> . One of the main objectives of the <i>Juntos</i> program (network for the reduction of extreme poverty) being implemented by the government is to link the beneficiaries of <i>Familias</i> with other social programs in order to help them improve their standard of living. Unutilized ICBF resources being used by <i>Familias</i> to partially finance the nutrition transfer.
Possible modification of conditions.	Conditions reviewed by National Planning Department and the National Coordination Unit of the program. On basis of review, it was decided to test alternative structures for the conditions in urban areas, including dropping the condition for primary school and differentiating between grades at secondary level, and adding a one-time benefit for completion of secondary school.
Concentrate efforts on secondary, instead of primary education. Differentiation of benefits by grade level.	New structures of conditions being implemented in urban pilots concentrate on secondary education and some schemes are differentiated by grade level.
Criteria and procedures for expansion of program in times of crisis.	Program has expanded in certain localities in response to specific events, but no standard criteria or procedures have been established.
Inclusion and approach for disabled youth.	Initial diagnostic carried out for cognitive disabilities and proposal pending to expand the nutrition subsidy to these children until they reach 18 years of age.
Electronic transfers in urban areas.	Payments in several large cities, including Bogotá handled through electronic debit cards.
Extension of banking services to rural municipalities without banks (<i>caja extendida</i>).	Pilot successfully implemented and extended.
Expand training activities to cover early childhood development.	Strategy designed and training materials developed for caregivers. Pilot implemented in 30 municipalities. Goal is to expand to 200 municipalities during 2009.
MIS includes data on ethnic origin of beneficiaries by geographic area.*	MIS separates out participants living in indigenous communities. Registration form for

Innovations/Second generation issues identified in the Project Appraisal Document	Status as of June 30, 2008
	<i>Familias</i> includes place for data, but it turned out to be difficult to fill in the information during the registration process.
Technical document, satisfactory to the Bank, available that outlines the characteristics of the future conditional cash transfer program based on the experience of <i>Familias en Acción</i> .*	National Economic and Social Policy Council approved the Document: Network of Social Protection to Reduce Extreme Poverty (No. 102), September 25, 2006, which outlines role of <i>Familias</i> ratifies the role of <i>Acción Social</i> as the implementing agency and its institutional home.

Note: * Included in intermediate outcome indicators.

Targeting Performance. Household survey data on consumption and income was not available in time to be used to calculate the incidence of benefits of *Familias*, as was envisaged in the Project Appraisal Document. Hence, an alternate methodology had to be used. The results suggest that, in terms of targeting, the *Familias en Acción* program is highly effective in reaching the poorest quintile in the country. Focusing on families that are not characterized as displaced, circa 97.3 percent of all beneficiaries belong to the poorest two deciles in the country, defined as the individuals with the lowest scores in the SISBEN (multidimensional measure of well being based on assets and other living conditions). Amongst the displaced families (who are eligible for the program irrespective of their poverty status), circa 85.0 percent of beneficiaries belong to the poorest two deciles, while another 11.3 percent belong to the next quintile.

Table 2.3: Distribution of Beneficiaries

Population deciles	Distribution of Beneficiaries		
	displaced population	non-displaced population	Total
1	76.8%	86.9%	85.5%
2	8.2%	10.4%	10.1%
3	7.9%	2.0%	2.8%
4	3.4%	0.4%	0.8%
5	1.2 %	0.1%	0.3%
6	0.7%	0.1%	0.2%
7	0.5%	0.0	0.1
8	1.0%	0.1	0.2
9	0.2	0.0	0.0
10	0.1	0.0	0.0
Total	100%	100%	100%

Footnote: The deciles are deciles of individuals, defined in terms of the SISBEN score of their family. To estimate the distribution, the following steps were followed: first, the cut-off points that define the 10 deciles over the entire population (urban and rural separately) were calculated using the Quality of Life Survey of 2008 (*Encuesta de Calidad de Vida*). Second, these cut-off points are then imported into the SISBEN database. Third, the SISBEN database is merged with the *Familias en Acción* program, in order to identify the population quintile to which each individual belong (this merger successfully matches circa 85 percent of individuals).

It is interesting to note that the beneficiaries of the *Familias en Acción* program are roughly equally distributed within the SISBEN 1 population (their target group), as shown in Table 2.4. This underlines that, despite its very good targeting mechanism, the program does not reach some of the poorest individuals in the country and would require a more pro-active strategy to effectively bring these families into the program. Amongst the poorest 1.5 million families (defined in terms of their SISBEN score), for instance, 37 percent of families are in the program, another 37 percent is eligible but not in the program, and the final 26 percent is not eligible (no children under 18). This realization has led to the design of the target population for the JUNTOS program, which now focuses on the poorest families, irrespective of their inclusion in the *Familias* program, and will be used to try and connect the 37 percent of families that are eligible but not beneficiaries with the *Familias* program.

Table 2.4: Population Benefiting from the Program (%)

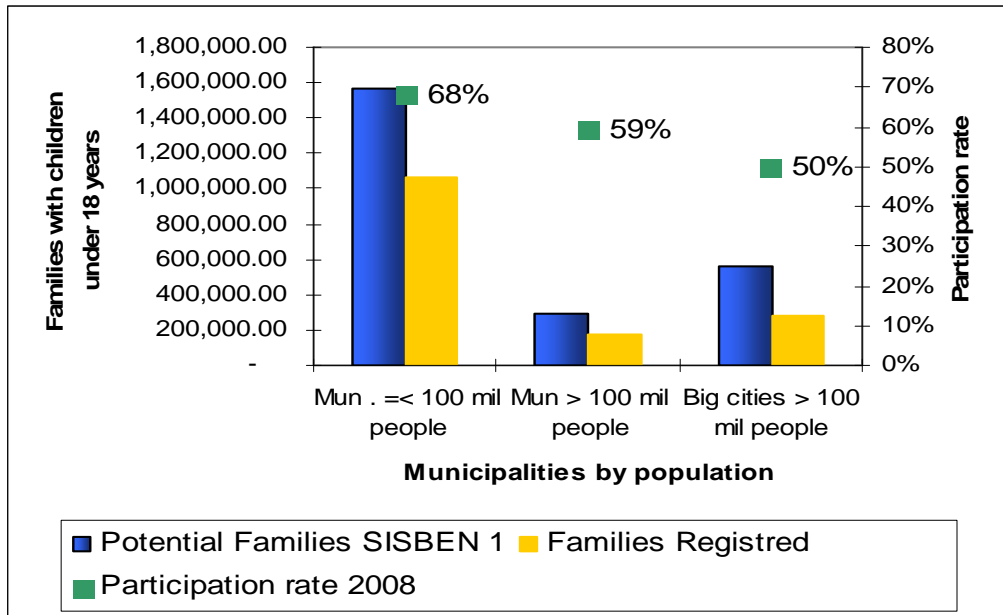
Population quintiles within the SISBEN 1 population	Percentage of population benefiting from the program	
	Urban areas	Rural areas
1	21%	18%
2	22%	20%
3	22%	20%
4	19%	21%
5	17%	20%
Total	100%	100%

Program Participation. The *Familias* registration process for SISBEN 1 families has some particular features. First, registration takes place only once during a specific, limited period of time in each municipality. Second, responsibility for the registration process is shared between each municipality and the National Coordination Unit for the program. Third, in most municipalities (including Bogotá), all SISBEN 1 families with minors under 18 could sign-up for the program. But because of fiscal restrictions in 15 large urban areas there was also geographical targeting. The poorest neighborhoods in these cities were identified and only eligible families in those neighborhoods could register.

According to the most recent registration results, the take-up of the program is 62 percent among eligible SISBEN 1 families, with substantial variation depending on the municipality, suggesting that in some localities the program needs to address exclusion or

type 1 errors.¹² Municipalities with a population over 100,000, particularly large cities, had lower take-up rates (See Figure 2.2). In Bogotá the take-up rate was about 30 percent. (These take-up rates are likely to increase now as a result of the decision of the government to expand further the program).

Figure 2.2: Participation Rate by Type of Municipality



Source: Bank staff estimates based on *Familias* Program data.

The Department of National Planning commissioned a study to analyze the factors behind the take-up rate. The study found no evidence that more disadvantaged families (lower scores on the SISBEN or a higher number of children) tended to register less. On the other hand, registration was less likely for those living in more isolated areas. The study identified several other factors. One, a small part of the “under-registration” of SISBEN 1 is accounted for by the displaced, as some of these families are registered in the SISBEN, but have entered *Familias* in the category of displaced. Two, there can be glitches in the list of eligible SISBEN 1 families. There are reports of the lists including non-eligible families (minors, families without minors, dead) and excluding families who believe that they are eligible. Three, the logistics of the registration process and the limited promotion by some municipalities may reduce take-up. Information may not reach all eligible households. Some families have trouble presenting all of the documentation required in time. Fourth, because some families may consider the opportunity cost to register and to participate (time, transport costs) high, they may

¹² Type 1 errors occur if a truly eligible individual does not apply for benefits or if truly eligible individuals apply for benefits and are rejected. For comparison, in the case of *Chile Solidario*, a smaller program using extensive municipal out-reach to register eligible families, the take-up rate is about 95 percent. In the US, take-up rates vary: 80-90 percent for the Earned Income Tax Credit, 70 percent for food stamps and 40 percent for childcare subsidies.

decide not to participate. The study made three recommendations. The first was to devote more time and care to an ex-ante cleaning up of the SISBEN lists before they are used for registration. The second was to allow more time for the registration process. The third was to organize the registration process better in order to reduce waiting times. In the registration processes now taking place in the follow-on project, the National Coordination Unit is taking into account the third recommendation and other complementary actions, with a view to improving the take-up rate.

Component 2: Improving the monitoring and evaluation system of the Ministry of Social Protection (MSP) in order to better track and critically review the country's social safety net portfolio (US\$1.4 million in loan financing).

The outputs associated with the 3 specific objectives of the component are summarized below:

- **Results-based budget:** The MPS carried out a pilot with the Institute of Family Welfare (*Instituto Colombiano de Bienestar Familiar – ICBF*) to test the approach since the information needed to calculate the indicators was available. This was a combined effort between MPS, ICBF, and a foundation. The result was a preliminary version of a results-based budget with the construction of 55 product indicators and 14 result indicators and the identification of baselines and targets for all of them.
- **Evaluation of current programs:** In the area of evaluation, the MPS identified the areas, methodology and themes most relevant for the system of social protection and prepared the Terms of Reference for the contracts. This evaluation agenda was presented and discussed with the Committee for Inter-sectoral Evaluations, led by the Evaluation Department of the National Planning Department. The agenda includes 14 evaluations of results, 6 of impact, and 4 of execution.
- **Improve transparency and accountability:** MSP organized a public audience, attended by about 150 people, where the advances on the M&E system were presented. MSP also designed a strategy for a continuous process of “citizen accountability” (*rendición de cuentas*) and a web page for the M&E system. In addition, two bulletins covering general social protection issues and one covering workmen’s compensation were developed. The bulletins are currently being reviewed by MPS with a view to their publication.

The component was to finance the initial planning and piloting of the MSP’s integrated results based M&E system. The Project Appraisal Document identified 9 specific activities to be undertaken under this component. A brief description of each and the status at project completion are shown in the following table.

Table 2.5: Status of Activities for M&E system for the Ministry of Social Protection

Activity	Status
Institutional assessment to analyze the capacity of MSP and its agencies in carrying out evaluation and monitoring including data collection, analysis, and reporting.	Initial diagnostic done as first step for the work on each part of the social protection system. In the area of monitoring, the diagnostic included institutional aspects, as well as existing norms, sources of information and information systems. Baselines were defined for the indicators for social protection policies and projects, which helped to formulate the proposed reports for the M&E system. In the area of evaluation, all of the existing evaluations in the social protection system were reviewed.
Development of a strategic plan for the establishment of a sustainable integrated M&E system, including the key indicators to be measured.	The M&E system was structured into 3 components, aligned with the SINERGIA model: Monitoring, Evaluation, and Citizen Accountability (<i>rendición de cuentas</i>). Indicators were defined according to the objectives of the social protection system. 11 strategic objectives were defined and 43 specific objectives as the base for the identification of the indicators. Table 2.6 presents the numbers of indicators developed by objective. For half of the indicators data to calculate the value is available through the SISPRO. The other half has the protocol for the calculation. In addition, an executive summary was made for all investment projects active as of 2008 in the social protection system and for each one; indicators and goals were defined as part of the M&E system.
Training key government officials to implement, use, and benefit from an M&E system.	In the process of defining and designing the M&E system, staff of the Planning and Policy Analysis Department of the MSP received training on the structure and composition of the system and presentations were made and discussions held with other departments of the Ministry on the relevance and validity of the indicators, their interpretation and the procedures for collecting the information and calculating the indicators.
Build a consistent information platform accessible to the MSP programs.	The MSP has an information system (SISPRO) which is being consolidated. Thus it was considered premature to assume that the operation of the M&E system would require a new information platform. For this reason, the MSP progressed in the operation of the M&E system and on the basis of these advances will define in the future any information platform requirements.
Select several institutions, governed by the MSP, with which to pilot the strategic plan and implement the plan in these programs.	During 2007, the M&E system was implemented in the following institutions governed by MPS: <i>Instituto Colombiano de Bienestar Familiar (ICBF)</i> , <i>el Servicio Nacional de Aprendizaje (SENA)</i> , <i>el Instituto Nacional de Salud (INS)</i> , <i>el Instituto Nacional de Vigilancia de Medicamentos y Alimentos (INVIMA)</i> .
Expand the plan to the same	A territorial diagnosis was prepared and in view of its results

Activity	Status
programs that are managed by selected territorial entities.	it was decided that this activity had to be deferred. The territorial entities had little understanding of the concept of the social protection system and the information required for a M&E system was scarce. The territorial entities required specific capacity strengthening on the social protection system before an M&E system could be designed and applied. This capacity building is now being carried out with the support of another Bank project.
Develop a social control component, with the collaboration of civil society.	MSP organized a public audience, attended by about 150 people, where the advances on the M&E system were presented. MSP also designed a strategy for a continuous process of “citizen accountability” (<i>rendición de cuentas</i>) and a web page for the M&E system. In addition, two bulletins covering general social protection issues and one covering workmen’s compensation were developed. The bulletins are currently being reviewed by MSP with a view to their publication.
Expand the integrated M&E system to include other agencies of MSP.	During 2008, the M&E system was expanded to the following agencies of MSP: el <i>Instituto Nacional de Cancerología</i> (INC), la <i>Superintendencia de Salud</i> y la <i>Superintendencia del Subsidio Familiar</i> . In all 7 agencies were covered. In addition, all 88 investment projects of the social protection system were monitored.
Disseminate the results and experiences in setting up the M&E system so that other Ministries can learn from the experience.	Before disseminating to other ministries, the M&E system needs to be operating adequately. This requires reviews and adjustments coordinated with the National Planning Department. This activity could not be carried out based only on the design of the system.

Table 2.6: Indicators by Strategic Objective of Social Protection System

Strategic Objectives	No. of indicators
1. Improve the health of the Colombian population and control the principal factors that affect it	81
2. Financially protect the population against the economic risks associated with health and guarantee access to services	25
3. Improve the quality and efficiency of the General System of social Security in Health (<i>Sistema General de Seguridad Social en Salud – SGSSS</i>)	27
4. Financially protect the population against the economic and health risks associated with employment and improve the quality and the efficiency of the General system for Professional Risks	16
5. Guarantee the availability of protection mechanisms against the risk of poverty or indigence in old age for the elderly, the vulnerable, and the economically active population.	25
6. Generate the necessary conditions for the efficient, equitable and sustainable use of the resources destined for protection against the risks of poverty and	10

Strategic Objectives	No. of indicators
indigence in old age.	
7. Improve the quality of life particularly of the most vulnerable and poor individuals and families	77
8. Generate the necessary conditions for job creation for the economically active population	14
9. Improve the quality of employment	29
10. Prepare human resources for employment	29
11. Institutional strengthening of the System of Social Protection	5
TOTAL	338

Information on achievement of the 2 outcome indicators is presented in the datasheet. No progress was made on the activities expected to be measured in the intermediate outcome indicators (results based indicators for 4 programs publicly available, integration of the MSP M&E system with SIGOB/SINERGIA through application software, and the number of hits on the MSP M&E system website) because they related to results of the actual operation (not the design and piloting stage) of the M&E system. Their inclusion is considered to be overambitious given the expected 2 year execution period. However, it is important to note that the Project had a series of more fundamental impacts on the Ministry's institutional capacity (linked to the development of a logical framework for all core programs), on the presentation of its investment projects in the national investment database (DNP), and on the development of a results-based orientation in some of its affiliated agencies.

Annex 3. Economic and Financial Analysis

Since Component 2 is technical assistance, economic and financial analysis is not applicable. In the case of Component 1 (the *Familias* conditional cash transfer program), the economic analysis presented in the Project Appraisal Document drew on the results of the first round of the impact evaluation (based on data from 2003). The main objective of *Familias* was to improve the living conditions and human capital investment of poor households. The expected beneficiaries were about 1.4 million children living in 400,000 poor households. Effects were expected for current participants in the program, as the assumption was that if the program didn't continue then the previous positive effects would stop, although the benefits of previous capital investment would persist. In addition, the proposed expansion meant that 17 percent more people would be getting these benefits. Impacts were expected in several areas including consumption (higher food consumption and improved quality), education (enrollment, mainly for secondary school) and health (reduction in malnutrition, higher vaccination coverage, reduction in diarrhea, increased visits to health centers). Both additional years of schooling and the reduction of malnutrition would be expected to have a positive impact on future life earnings. In addition, positive impacts were expected to be seen in higher vaccination coverage and lower rates of diarrheal disease.

In general, results were in line with expectations, based on the results of the impact evaluation from the 2006 round in rural areas and from the urban pilot in Medellín. And the benefits were received by more children since the program expanded to register about 1.7 million families by the closing date of this component.

Impact for rural areas and municipalities below 100,000 inhabitants

In the area of consumption, program households consumed more food and the increased expenditure was directed towards increasing quality as evidenced by significant increases in items rich in protein such as milk, meat, and eggs (Attanasio and Mesnard 2006)¹³. In the case of education, as expected the impact on attendance was largest for secondary students, especially in rural areas. In urban districts (department capitals), attendance rates increased by around 5 percent points, while in rural areas the increase was a bit above 7 percentage points. Improvements were smaller for primary school attendance, with an increase of around 2 percentage points in rural areas, and no significant impact in urban zones. The Program also reduced the average number of years of repetition for children 12-17 by nearly 1 year.

In the area of health, visits to centers increased by 44 percentage points for children between 3 and 7 years of age, and by 20 percentage points in rural areas. The effect of the Program on vaccination coverage was positive, but only significant for children less than 24 months. There was a 9.5 percentage point reduction in reported cases of diarrhea

¹³ Conditional Cash Transfers: Reducing Present and Future Poverty, A World Bank Policy Research Report, 2009.

among children. Child birthweight increased almost a pound in urban areas as a result of better nutrition among recipient mothers. The program also had a positive impact on breast-feeding, which increased by 27 percent (2.8 months) among children under 2 in rural areas and by 24 percent for children in urban areas. The prevalence of chronic malnutrition (height for age) amongst beneficiary children aged 0 to 6 in rural areas was 9 percentage points lower than amongst children in the control group. The program also reduced global malnutrition (weight for age) in children less than 3 years of age in rural and urban areas, by 6 and 4 percentage points, respectively.

Results from Medellín Pilot

The authorities completed an impact evaluation on the effects of a pilot of the urban program in Medellín. This evaluation followed a group of beneficiaries and a control group over a period of a year, between October 2006 and December 2007. Overall, the evaluation of the program in Medellín shows positive impacts in education and health, but no measurable effect in nutrition. – the latter may be because of the short period of time of the evaluation. Secondary school attendance for children in beneficiary families increased by 4 percentage points. There was no significant effect on primary school attendance. In terms of health, the prevalence of acute respiratory disease amongst children aged 0 to 6 in beneficiary families is 13.8 percent lower than amongst the control group children.

Benefit-Cost Analysis

Information is also available from a benefit-cost analysis of *Familias*, which is more comprehensive than the framework presented in the Project Appraisal Document. The detailed analysis was undertaken in conjunction with the impact evaluation jointly by the Institute for Fiscal Studies, *Econometria*, and *Sistemas Especializados de Información* (IFS et al, 2006). The analysis values benefits of the program through the increased future earnings that result from: (a) lowered incidence of underweight infants, (b) lowered incidence of malnutrition and child morbidity among children zero to six years old, and (c) increased years of secondary schooling. The effects of *Familias* on these outcomes are derived from the impact evaluation and are then monetized using evidence from a combination of sources (e.g. a net additional year of secondary school education is assumed to increase future income by 8 percent based on estimates of Mincerian rates of return; an increase of 0.4 kilogram in birth weight is assumed to increase future income by 5 percent based on international evidence). When these monetized benefits are discounted the total net present value of benefits was calculated to be US\$259.4 million.

Costs summed up to \$163 million and consisted of: (a) program costs for both the nutrition and education components, (b) the private costs incurred by the household for additional food and education expenditures, (c) private household costs of collecting transfers, (d) infrastructure and input costs of additional school and health center supply, and (e) the public cost generated to finance the CCT. Comparing the benefit and cost figures, the authors estimate a ratio of benefits to costs of 1.59, which is high by traditional benefit-cost ratio standards and suggests that the CCT is worth its cost. This

ratio also means that even if the assumptions used in this model are imperfect, costs would need to increase 59 percent relative to benefits in order to reach a point where the benefits do not justify the costs. It should be noted that this analysis does not consider other benefits, including the increased household consumption (other than through child nutrition and birth weight).

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit
Wendy Cunningham	Senior Economist	LCSHS
Andrea Vermehren	Sr. Social Protection Specialist	LCSHS
Sonia M. Levere	Language Program Assistant	LCSHS
Theresa Jones	Task Team Leader (after July 2006)	LCSHD
Andrea Vermehren	Task Team Leader (until July 2006)	LCSHD
Francisco Ochoa	Consultant	
Jorge Barrientos	Consultant	
Diana Isabel Cardenas	Consultant	
Tarsicio Castaneda	Consultant	
Aline Coudouel	Senior Economist	LCSHS
Wendy Cunningham	Senior Economist	LCSHS
Jeannette Estupinan	Financial Management Specialist	LCSFM
Peter Anthony Holland	Operations Officer	LCSHE
Jose M. Martinez	Senior Procurement Spec.	LCSPT
Andrew D. Mason	Senior Economist	LCSHS
Maria Claudia Vasquez Alvarez	Consultant	
Sonia M. Levere	Language Program Assistant	LCSHS
Rafael Rofman	Lead Social Protection Specialist	LCSHS
Andre Medici	Sr. Economist (Health)	LCSHH
Patricia M. Bernedo	Language Program Assistant	LCSHS

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY05	28	170.35
FY06	20	87.43
Total:	48	257.78
Supervision/ICR		
FY06		19.22
FY07	29	177.34
FY08	31	137.57
FY09	25	98.1
Total:	85	413.01

Annex 5. Summary of Borrower's ICR and/or Comments on Draft ICR

For Component 1, the ICR was reviewed by *Acción Social* through the *Familias* National Coordination and there were no revisions requested to the document. In the case of Component 2, the ICR prepared by the Ministry of Social Protection is included here.

Component B: System of Monitoring and Evaluation of the System of Social Protection (M&E of SPS)

1. Development Objectives of the Project and Outcome Indicators

The original objectives of the project remained during Project execution. These were to:

- i) Strengthen the technical capability of the Ministry to evaluate and monitor the Social Protection System (SPS);
- ii) Strengthen the budget preparation process, by relating it to the results of the System of M&E; and
- iii) Increase the transparency of the operations of the Ministry of Social Protection (MPS), the regulatory entity of the SPS, by publishing the results of the System of M&E.

Activities from Component B were carried out to reach these objectives. These activities mainly focused on the design of the System of Monitoring and Evaluation (M&E). In the development of the Project, activities were specified in accordance with the objectives. Specifically, M&E was designed as an instrument for decision-making in the SPS through the acquisition and organization of relevant information to support policy decisions, investments and the institutional proposals of the sector. Through the M&E System, which included analysis and the institutional context of all areas comprising the sector, it will be possible to: (a) improve substantially the availability of information on the results and impact of policies, programs and projects; (b) strengthen decision-making based on timely and quality information; and (c) increase the capacity to be accountable to citizens. Thus, the MPS would strengthen its capacity as regulatory entity and formulator of sector policy. More generally, the MPS will have valuable information on institutional performance on the achievement of objectives. Thus, the System of Monitoring and Evaluation would influence planning over and beyond the preparation of the budget.

Indicators of Outcome of the Project:

- a. Information available to the public on the coverage, financing, and impact of important programs for social protection managed by MPS and its associated entities.

This indicator was not fulfilled since the system is not yet available to the public; however, significant results have been achieved with regard to public information on the

Project relating to both the MPS and its associated entities, among which the following can be highlighted:

- For investment projects, the work carried out to prepare executive summaries, define indicators and goals and their respective monitoring is available in the System of Monitoring of Investment Projects (SPI), operated by the Division of Investments and Public Finance of the DNP, (<http://spi.dnp.gov.co>) and will be available to the public in August 2009.
 - Fifteen executive summaries of the components of the sector were disseminated in the publication “What does the Colombian Government invest in: Major projects of the Community-focused State in 2008” of the National Department of Planning.
 - A first progress report on the results obtained by the sector is the “Report to Congress”, which is found in the Website of the MPS (<http://www.minproteccionsocial.gov.co>).
- b. At least 50% of the programs of social protection of the MPS and at least 2 of its associated entities are included in the system of monitoring and evaluation.

This indicator was completely fulfilled and the principal results are presented below:

- At the level of policy, the objectives, indicators, and goals for the entire sector were defined covering 100% of the SPS.
- With regard to the development of social protection programs/projects, there are 88 investment programs/projects distributed in the MPS and 7 associated entities. These latter are: Colombian Institute of Family Welfare (ICBF), the National Service of Learning (SENA), the National Institute of Health (INS), the National Institute of Surveillance of Drugs and Food (INVIMA), the National Institute of Oncology (NCI), the Health Authority and the Authority for the Family Subsidy. The 88 programs/projects are included in the System of M&E, and for each the following was carried out: i) a review of objectives; ii) identification of expected results; iii) a survey of the process carried out for its execution; iv) agreeing on outcome indicators, baselines and goals and on an annual updating.

Intermediate Results:

- a. Results-based indicators published for four important social welfare programs

The project developed outcome indicators for all the investment projects of the social protection sector, 88 in 2008. Part of this work was disseminated in the publication “What does the Colombian Government invest in: The major projects of the Community-focused State in 2008.” This document includes 15 projects of the sector. In addition, the monitoring indicators for all projects are available in SPI, a tool that will be available to the public as of August 2009.

b. Integration between the System of M&E and the computer application SIGOB

With regard to the integration of the System of M&E with SIGOB, all the indicators of the SIGOB are part of the System of M&E and are updated and follow other procedures using the protocols established by the System of M&E. The integration of the System of M&E into the information platform for SIGOB will only be possible when SISPRO¹⁴ is fully implemented, as it is the government's view that it would be most efficient to use the existing informatics platform of the MPS. This is particularly the case given that 50% of the indicators of the System of Monitoring and Evaluation can be calculated in the SISPRO.

c. Increase the transparency and accountability of the programs of the Social Protection System strengthening the participation of civil society in the performance monitoring of the MPS.

The project has a strategy to disseminate the results and products of the SPS which would be implemented. The guidelines established in the strategy were an input for the public audience held in 2008.

The structure and operation of the System of M&E of the SPS has been defined and even though there is not yet an integrated computerized tool, annual and quarterly reports have been developed "manually".

It is important to point out that the intermediate indicators of the Project focus mainly on the public diffusion of results but did not consider important aspects of the progress of the Project and of the System of M&E such as the strengthening of the framework for monitoring the SPS and for the budget process.

2. Design, Implementation, and Experience of the Project

The framework for the original design of the Project was the methodological manual "Ten steps toward a system of results-based¹⁵ monitoring and evaluation" and the structure developed by the National Department of Planning for SINGERIA (the three components of monitoring, evaluation and accountability). Also, the project emphasized the areas of Social Promotion, Training for Work, and Family Allowances and the executing institutions for these policies (ICBF, SENA and 15 Compensation Funds). Implementation was expected to take two years at the central level in the entities aforementioned (first phase) and then would expand to all the entities of the Social Protection Sector (second phase) with again an implementation period of two years. A year after the project began (first phase) it was decided that the activities could be

¹⁴ Social Information System for Social Protection

¹⁵ Ten Steps Towards a System of Monitoring and Evaluation Based on Results, Jody Zall Kusek, Ray Rist, World Bank 2005.

initiated in all entities (second phase). Also it was expected that a pilot study would be undertaken at the territorial level in the first phase in order to be expanded in the second to a significant proportion of departments.

With regard to this design, the project maintained the original structure proposed and the methodological framework of steps and components. The activities were distributed in three components: monitoring of program management, evaluation of results, and citizen accountability. However, after the first few months of implementation, a different work plan was proposed taking into account the following considerations:

- The areas initially selected - ICBF-Promotion Social, SENA - Training for Work and Family Compensation Funds - although important did not cover the entire Social Protection System
- The principal sectors of the System proposed for the second phase included the General System of Social Security that includes the Health System, Pensions, and Occupational Risks.
- It was premature to develop a System of M&E at the territorial level in the first year of work, especially since a clear structure for the role of the System of Social Protection at the territorial level was lacking

Thus the strategy to develop the project was changed by defining more clearly the areas that comprise the Social Protection System and are governed by the MPS: (i) Public Health, (ii) Health Services and Insurance, (iii) Occupational Risks, (iv) Pensions, (v) Social Promotion, (vi) Family Allowance (vii) Labor Market, and (viii) Training for Work.

The initial work proposed was a diagnosis with the aim of making the approach to the sector more coherent and consistent, examining two aspects: (1) a general one that included for each area the existing institutional framework, the associated financial resources and their sources, and the existing information systems, as well as their condition; and (2) a second aspect that included a review of objectives by area, the existence or not of valid monitoring indicators, the identification of the principal programs and the existence or not of indicators of the products of these programs, the consistency of the action plans with the foregoing and the evaluation practices that existed in the sector.

Based on what has been described previously, a second Project activity consisted of the formulation of objectives and general indicators of the social protection sector, the establishment of goals and baselines for each indicator and the definition of the source and methodological details.

In this regard and given the structure of the System of M&E in its three components, the Project permitted:

- At the policy level, the identification of the eleven strategic objectives of the Social Protection System, from which 43 specific objectives are derived and

served as the base to define 338 indicators with the respective methodological details. Of these 50% have the information for their calculation in the SISPRO; for the other 50% protocols were prepared for their respective estimation.

In the following table presents the objectives defined and the number of monitoring indicators for each one. It is possible through basic tools to consolidate all of the indicators with their respective updated information, as well as annual and quarterly monitoring reports.

Table 5.1: Indicators by Strategic Objectives

Strategic Objectives	Total Indicators
1. Improve the Health of the Colombian Population and control the principal factors that affect it	81
2. Financially Protect the population against the economic risks associated with health and guarantee access to services	25
3. Improve the quality and the efficiency of the General System of Social Security in Health (SGSSS)	27
4. Financially Protect the population from the economic and health risks associated with work and improve the quality and the efficiency of the General System of Occupational Risks	16
5. Guarantee the availability of mechanisms of protection against the risk of poverty and extreme poverty in old age for the vulnerable and economically active population.	25
6. Generate the necessary conditions for the effective, equitable and sustainable use of the resources destined for protection against the risks of poverty and extreme poverty in old age	10
7. Improve the quality of life particularly of the most vulnerable and poor individuals and families	77
8. Generate the necessary conditions for the creation of jobs in the economically active population	14
9. Improve the quality of the employment	29
10. Prepare human resources for work	29
11. Institutional Strengthening of the System of Social Protection	5
TOTAL	338

- With regard to the level of projects, an executive summary was prepared together with the management and/or responsible entities for each of the 88 projects of the sector devising monitoring indicators (management and product) as well as goals applying to 2008. Those indicators are registered in the System of Projects of Investment of the DNP (SPI).
- With regard to the evaluation component, the areas, methodology and the subjects of evaluation most relevant for the SPS were identified, and the Terms of Reference of those evaluations were designed. This is summarized in an agenda of evaluations that was presented and discussed with the Intersectoral Committee of Evaluations, led by the DEPP of the DNP. This agenda includes 14

- performance audits, 6 assessments of impact and 4 executive evaluations in accordance with the priorities and requirements defined by the MPS for the SPS.
- For the component of accountability a strategy of diffusion of results was defined. The strategy designed specific products that are reflected in the Plan of Media Communications such as the use of a Website for the System, two bulletins of “What are the Advances on Social¹⁶ Protection”, among others. This strategy was presented to the Office of Communications, the responsible area in the MPS. In relation to dissemination and to the participation of civil society, a public audience was carried out. The public audience was attended by nearly 150 people and the progress for each area defined in the System of M&E was presented. It should also be noted that the guidelines of the strategy served as input for the reformulation of the national accountability policy, an activity led by the Administrative Department of the Civil Service.
 - With regard to the objective of incorporating results into the processes of budget preparation and execution, it was proposed to use the results of the System of M&E. Thus a pilot with the Colombian Institute of Family Welfare was carried out jointly with Fedesarrollo¹⁷, the MPS, and the ICBF. As part of the PPR (results based budget), this group defined 55 product indicators and 14 outcome indicators; their baselines were identified, and goals were defined for each one. The Budget by Results of the ICBF for fiscal year 2009 includes the total budget for Operations and Investment; moreover, there is a link between the indicators (management and product) and institutional goals (considered in the National Development Plan, Sector Plans, and the Indicative Plan of the Institute) and the budget of the entity. At present, the PPR is in the process of implementation by the Management of the ICBF as a methodology for the programming, monitoring, and evaluation of the physical and financial resources of the entity, thereby facilitating public decision-making using the tool of results-based management.
 - For the operation of the system, an Operational Manual was prepared to guide the process of application. In this Manual the design of the annual reports that should be generated by the system is presented, both at the policy and project levels, as well as the quarterly progress reports for the investment projects. Similarly, it is established that the system is the source of information for documents such as the Report to the Congress and the Goals that the Minister presents annually in a televised conference. The Division of Planning and Policy Analysis is responsible for leading the implementation and operation of the system.

¹⁶ The first bulletin refers to the general framework for the social protection sector and the second to the area of occupational risks. These bulletins are being reviewed by the MPS prior to their publication.

¹⁷ Fundación para la Educación Superior y el Desarrollo. Ver www.fedesarrollo.org

- In the process of defining and designing the System, the staff of the Division of Planning were trained on the structure of the system, the definition and calculation of the indicators, preparation of reports, among others topics. Moreover, there were presentations and discussions with the other technical areas of the MPS on the importance and validity of indicators, their interpretation, and procedures for gathering information and calculating the indicators.

The project in essence developed the objectives proposed in the sense that it generated technical instruments to support the decision-making process that would thereby strengthen the activities of monitoring and evaluation at the sector level. The System of M&E tried mainly to support institution building for monitoring and evaluation in the technical areas of the Ministry as well as in the other entities of the sector. Evidence of this is that the work carried out by the consultant team has served as input for:

- The technical definition of the evaluation of the General System of Participation in the health component
- The definition of the National Public Health Plan, to the extent that the objectives and indicators of this plan coincide with those of the System of M&E
- The definition of the conceptual model of the Occupational Risks Information System
- The identification and consolidation of the monitoring indicators for the Network for the Elimination of Extreme Poverty (Juntos)
- The updating and monitoring of the investment projects of the sector used for 2008 and 2009 and for the programming of 2010
- The definition of the structure of the Framework of Medium-term Expenditure of the Ministry of Finance and the DNP
- The Budget by Results of the ICBF
- The structuring of a proposal for the organization of the Labor Vice-Ministry and its functions jointly with the technical directors of the labor area. This work was approved by the Labor Vice-Ministry
- The contents of the Public Audience of the MPS
- The structure and preparation of the Report to the Congress 2007–2008
- The agenda of evaluation of the Intersectoral Committee of the DNP
- The adjustment of the Sectoral Strategic Plan, identifying those strategies that require strengthening
- The support for the process of regulation of the Law 1122/07 in its article 2, related to the monitoring of health and well-being indicators

4. **Principal factors that affected Project Execution and Results**

4.1. Project Preparation and Quality of Design

The project design addressed the principal needs of the Social Protection System and the Ministry with regard to monitoring and evaluation of its policies. The conceptualization of the component and its structure were also adequate. However, the initial design emphasized the area of social promotion and it did not

include other essential areas for the Ministry and the sector. This was corrected and the final Implementation Plan included all relevant areas of the Social Protection System. As a consequence of this change, the Project took on areas which were more complex and the estimated implementation period of two years for completion was too short.

The Project was expected to begin in January 2006 but its execution was delayed for a year given the following circumstances:

- Given the high commission required by FONADE, the entity that was to have supported the MPS in the management of the loan resources, and taking into account the policy of the Bank to use country systems, the MPS decided that it would manage the loan, which required an amendment to the loan agreement and as a result, a delay in its early stages.
- The Law of Electoral Guarantees, with effect until the month of May 2006, did not permit the direct hiring on the part of any entity of the State, including the MPS.
- The changes of the Director of Planning of the MPS, implied a process of appropriation of the Project on the part of the Director.

4.2. Implementation

The process of implementation is regarded as successful. The project advanced significantly in the conceptualization of the Social Protection System, developed a general structure for the sector, defined objectives and indicators of outcome in all areas of the SPS, and facilitated the linking of general policy objectives with projects and public investment. In this way, there was a fundamental technical advance under the Project.

The Project to date is in the process of implementation, and consequently an essential factor to achieve the progress of the activities advanced by the project is the appropriation of the different instruments by the officials who are part of the Ministry and its associated entities, as well as others responsible for taking various policy decisions.

4.3. Operation after Closing

The Project is continuing its development and is in the implementation stage, applying the Operational Manual. It is expected that in 2009 the System would generate the reports related to the monitoring component, for which the MPS is financing a team of the same 9 consultants who worked on the design, with the aim to work in the area of family allowances, to consolidate the system and to continue with institutionalization, all of which would ensure its sustainability.

During 2009 some of the evaluations defined in the agenda were contracted and the publication of reports and bulletins on the principal results obtained through

the System of Monitoring and Evaluation was started. These activities will continue in 2010.

Currently, the MPS plans to apply the system within the framework of the investment project “Implantation of the Plan of Studies and Research on National Social Protection””. This would guarantee that in 2010 the System of Monitoring and Evaluation would be institutionalized and operate efficiently.

4.4. Assessment of Results

The project currently remains fully relevant to national priorities. The implementation of the System of M&E continues to be fundamental for the improvement of the management of the MPS and the progress of the Social Protection System. It is expected that the results of the System would be used in the preparation of the next Plan of National Development. Also, the implementation of the system is being undertaken as part of a greater effort to implement SINGERIA in all sectors of public investment within the framework of another loan with the World Bank.

5. Evaluation of the role of the Bank

- In the Design (satisfactory)

With regard to the design, the Borrower does not have any suggestions for improvements. The support of the Bank was fundamental for the link to experts on the implementation of systems of this type (Ray Rist) and for organizing a seminar on systems of monitoring and evaluation. This activity helped motivate the MPS team and facilitated the discussion of the System with the DNP.

- In Supervision (highly satisfactory)

With regard to implementation, the Borrower is totally satisfied with the support given by the Bank. The technical team of the Bank understood fully the objective of the Project and the context in which this was developed. It was an important support on technical aspects, while giving autonomy and space to the national consultants, but at the same time incorporating specialists by areas and giving recommendations for the improvement of the work of the sector specialists. The Bank also responded in a timely manner on administrative aspects thus avoiding any delays in contracting. In general, the Bank accompanied and provided general recommendations constantly during the entire implementation period.

6. Lessons Learned

- The full implementation and institutionalization of the Project would require a long time period, since it requires the appropriation of planning tools and the acquisition of new competencies on the part of the officials involved in the process. Although, the technical development of the Project was on the whole satisfactory, its institutionalization in the MPS and the Sector is an aspect that implies work on training, and the motivation to change which takes a longer time.
- A System of Monitoring and Evaluation is fundamentally an institution-building Project, rather than primarily activities to modernize information systems, to develop computational tools and software, the principal aspect consists of boosting the capacity of analysis and of responsiveness of the technical staff in the various institutions. This is achieved through the introduction of new instruments, such as indicators, reports, evaluations, etc. The emphasis of the Project should be placed on generating consensus in the institutions, training, and giving technical assistance to officials and ensuring that there is clarity on the merit of monitoring and evaluation as instruments for sector planning.

ENDNOTES

1. Information System of the Ministry of Social Protection.
2. Ten steps toward a system of results-based monitoring and evaluation, Jody Zall Kusek, Ray Rist, World Bank 2005.
3. The first bulletin refers to the general framework of the Sector of Social Protection and the second to the occupational risk area. These bulletins are under review by the MPS prior to publication.
4. Foundation for Higher Education and Development. See www.fedesarrollo.org

Annex 6. Comments of Cofinanciers and Other Partners/Stakeholders

Not applicable

Annex 7. List of Supporting Documents

1. *Programa Familias en Acción: Impactos en capital humano y Evaluación beneficio-cost del Programa, Evaluación de Políticas Públicas*, No. 6, National Planning Department.
2. Analysis of the Process of Description of the *Familias* Program, DNP, November 2007.
3. CONPES Document #3472, June 2007.
4. CONPES Document #102, September 2006.

