



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 18-Jun-2019 | Report No: PIDC27150



BASIC INFORMATION

A. Basic Project Data

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|---------------------------------------|---|--|--|
| Country Colombia | Project ID P170728 | Project Name Colombia Institutional Strengthening for Territorial Development DPF (P170728) | Parent Project ID (if any) |
| Region LATIN AMERICA AND CARIBBEAN | Estimated Board Date Jan 16, 2020 | Practice Area (Lead) Governance | Financing Instrument Development Policy Financing |
| Borrower(s) Republic of Colombia | Implementing Agency National Planning Department | | |

Proposed Development Objective(s)

The objective of this operation is to support policies to strengthen the institutional frameworks for coordination, planning and resource allocation, and capacity building that promote strategic investments at the regional level, as well as to foster efficient rural and urban land markets to leverage regional development.

Financing (in US\$, Millions)

SUMMARY

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|------------------------|--------|
| Total Financing | 400.00 |
|------------------------|--------|

DETAILS

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|---|--------|
| Total World Bank Group Financing | 400.00 |
| World Bank Lending | 400.00 |

Decision

The review did authorize the preparation to continue



B. Introduction and Context

Country Context

Advancing inclusive, sustainable and productive territorial development is one of the salient objectives in Colombia's new National Development Plan (NDP) for 2018-2022. Historically, gaps in the frameworks and institutions for territorial planning and subnational public management have contributed to important challenges to equitable regional development in Colombia, as reflected in poor service delivery indicators and inequality measures. Recognizing the importance of addressing these challenges, the Government's 2014-2018 NDP outlined a program of reforms targeted at establishing the enabling environment and regulatory framework for integrated territorial development, actions that were supported by the First Programmatic Territorial Development Policy Financing (P158520). Important milestones - including approval of a new territorial planning policy, a comprehensive cadaster policy, and the strengthening of investment agreements between the national and subnational governments, among others - were achieved under this Program. Under the framework of the new 2018-2022 NDP, the Government is now advancing on the next generation of policies aimed at strengthening the institutional frameworks needed to further consolidate territorial development in Colombia.

Relationship to CPF

The proposed operation is well-aligned with Pillar 1 (Fostering Balanced Territorial Development) of the 2016-2021 CPF, which recognizes the important role of subnational governments in supporting territorial development.

C. Proposed Development Objective(s)

The objective of this operation is to support policies to strengthen the institutional frameworks for coordination, planning and resource allocation, and capacity building that promote strategic investments at the regional level, as well as to foster efficient rural and urban land markets to leverage regional development.

Key Results

Key results are expected from improved coordination, planning and resource allocation that promote strategic investments at the regional level, more efficient rural and urban land markets such as increased coverage of cadastral information for improved multisectoral public management, and improved public management capacity at the subnational level.

D. Concept Description

The proposed operation aims to achieve its objective in supporting policy actions under three pillars. As the design further develops, these may be consolidated into two pillars.

Pillar 1: Coordination, Planning and Resource Allocation that Promote Strategic Investments at the Regional Level -

Despite recent advances in the implementation of Colombia's frameworks for effective territorial development, challenges related to weak inter-institutional coordination at the territorial level and investment atomization continue. Thus, further efforts are needed to consolidate these reforms and address persistent regional inequalities in territorial development. As such, reforms under this pillar focus on strengthening the institutional framework for multi-level governance, enhancing coordination within and between regions, and incentivizing regional investments aimed at supporting strategic regional development needs.



Pillar 2: Fostering Efficient Urban and Rural Land Markets - Rural and urban land markets in Colombia have operated inefficiently, in part due to the lack of reliable and current information about land parcel demarcation, land ownership, land prices and overall land economic potential. As a result, land disputes have multiplied exponentially, complicated by the country's long civil conflict which impeded access to the entirety of the territory. The operation will support government policies to establish efficient land information systems and processes and more dynamic land management at the urban level.

Pillar 3: Improving Public Management Capacity at the Subnational Level - The effectiveness of the Government's 2018-2022 NDP in achieving its regional development objectives will depend, to a great extent, on the capacity of subnational governments to effectively manage the underlying processes essential for operationalizing and implementing policy, as well as for the central government to effectively monitor the process and provide subnational entities with relevant incentives and support. As such, the operation supports reforms that build on previous and existing efforts to strengthen institutional capacities in subnational governments.

E. Poverty and Social Impacts and Environmental Aspects

Poverty and Social Impacts

The Poverty and Social Impact Analysis (PSIA) will be organized around the pillars outlined in the DPF. In particular, the policies in Pillar 1 aimed at strengthening policies and institutions to enable integrated territorial development are expected to have positive effects on territorial management and planning at the subnational level, as well as on the enhancement of territorial development. The effects on welfare are likely to be mostly indirect and moderately positive overall, operating through a better provision of public services and local public goods. Actions under Pillar 2, supporting policies to improve the efficiency of rural and urban land markets are expected to have moderate positive effects in the long-run through tenure formalization, and the improvement of efficiency and performance of sub-national entities that could help to reduce socio-economic gaps. The impact on poverty and shared prosperity of policy actions under Pillar 3, aimed at supporting the strengthening of management capacity in the public sector at subnational level are expected to be positive; it will, however, depend on the way those savings will be allocated and the elasticity between local public investment and poverty. Further analysis and a more extensive literature review will take place as the team moves forward to determine the distributional impact of these prior actions.

Environmental Impacts

The policy actions supported by this operation will likely contribute to more adequate management of local resources and a better planning of territorial development, which, by way of integrating environmental preservation and conservation, can generate better contributions in information, institutional coordination and allocation of budgets for environmental management. To expand the coverage of cadastral information should contribute to increased tenure security and secure access of local communities to forest and natural resources and to strengthen local governments' ability to generate resources, improve public service delivery, and potentially develop environmental enforcement capacity; those improvements can help to reduce illegal deforestation and degradation of rural landscapes, maintain vital ecosystems services, reduce greenhouse emissions, and improve agricultural productivity. Policies supporting strong environmental requirements for urban permits and urban land regulations could bring about climate change co-benefits in cities. The environmental analysis identified a potential risk for possible indirect negative environmental effects from some policies supported under the DPF, which are not considered to be significant, as long as government applies existing environmental legislation and best practices.



CONTACT POINT

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APPROVAL

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Approved By

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|-------------------|---------------|-------------|
| Country Director: | Ulrich Zachau | 18-Jun-2019 |
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