



1. Project Data:		Date Posted : 09/08/2003	
PROJ ID: P069861		Appraisal	Actual
Project Name : Co- Social Sector Adjustment	Project Costs (US\$M)	n.a.	n.a.
Country: Colombia	Loan/Credit (US\$M)	155	155
Sector(s): Board: SP - General education sector (30%), Other social services (30%), Health (30%), General public administration sector (10%)	Cofinancing (US\$M)	0	0
L/C Number: L7134			
	Board Approval (FY)		02
Partners involved :	Closing Date	12/31/2002	12/31/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
Ronald G. Ridker	Laurie Effron	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
This was a one-tranche loan to be completed before the end of the previous Administration, that aimed to carry forward the Bank supported social sector strengthening program begun in 1998 and to promote greater acceptance and political sustainability of fiscal adjustments established with the assistance of the Bank supported Structural Fiscal Adjustment Loan. It was also meant to encourage the incoming administration to incorporate follow-up activities in its medium-term strategic agenda.			
b. Components			
(1) Improve transparency and citizen's oversight of social programs by introducing a system of impact and performance evaluations and public performance monitoring of social sector programs. (2) Develop a comprehensive social risk management system to protect the poor and the most vulnerable during crisis times. (3) Expand health insurance coverage and support improvements in the allocation of resources to the health sector. (4) Improve the educational status of children by increasing efficiency and equity in the allocation of education resources, for example, by linking the transfer of resources to the number of students attending, the coverage gap, and poverty.			
c. Comments on Project Cost, Financing and Dates			
The project was financed by a World Bank loan of \$155 million, disbursed in one tranche on September 17, 2002, after all agreed conditions had been met.			
3. Achievement of Relevant Objectives:			
(1) A system of impact and performance evaluations was introduced, a system for public performance monitoring of social sector programs was established, and some evaluations were undertaken. These actions should lead to increased transparency and citizen oversight. (2) The social safety net was altered with a view to making it more counter-cyclical and better able to handle the surge in beneficiaries during recessions and a new ministry was established to oversee social protection programs. (3) New rules for allocating resources to the health and education sectors were established in order to expand coverage and access by the poor.			
4. Significant Outcomes/Impacts:			
Especially noteworthy is the extension of the health and health insurance systems to cover the unaffiliated poor and internally displaced populations. In the education sector, new rules were established that allocated funds according to numbers of students and poverty levels, that permitted contracting out the provision of education services, and that provided scholarships (vouchers) for the very poor but deserving students.			

5. Significant Shortcomings (including non-compliance with safeguard policies):

There was an inordinately large number of conditions for tranche release (over 40) and they were inadequately prioritized. While they were achieved, they made the project more complex and riskier than necessary. These conditions established input and process targets (e.g., promulgation of laws and regulations) rather than outcome targets.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability:	Likely	Likely	Some agreed-to program evaluations were not properly funded, raising question about commitment and sustainability.
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

This project demonstrates the importance of high quality, in-depth, jointly undertaken, sector work. This greatly contributed to the government's and Bank's ability to design efficient and effective social spending programs and complementary institutional changes.

The establishment of targets based on achievement of inputs and processes was necessary given the short time-frame and nature of this loan. Output indicators need to be addressed in subsequent operations, as is being done in the proposed Programmatic Labor Reform and Social Sector Adjustment Loan.

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

The ICR is of good quality.