



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 10-Sep-2020 | Report No: PIDC232271

**BASIC INFORMATION****A. Basic Program Data**

Country Colombia	Project ID P174341	Parent Project ID (if any)	Program Name Support to the development of Colombia's Integrated Social Registry
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 13-Jan-2021	Estimated Board Date 25-Mar-2021	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance & Public Credit	Implementing Agency National Planning Department	Practice Area (Lead) Social Protection & Jobs

Proposed Program Development Objective(s)

To support GOC in implementing and maintaining a dynamic integrated social registry to improve targeting and delivery of selected social programs

COST & FINANCING**SUMMARY (USD Millions)**

Government program Cost	1,970.10
Total Operation Cost	300.00
Total Program Cost	300.00
Total Financing	300.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	300.00
World Bank Lending	300.00

Concept Review Decision



The review did authorize the preparation to continue

B. Introduction and Context

Country Context

- In recent decades, Colombia has demonstrated impressive performance in terms of economic growth and poverty reduction.** Colombia experienced strong GDP growth over the last two decades at average rates of 4.4 per year. Growth was accompanied by a sustained reduction in unemployment that dropped from 12 percent in 2009 to 9.2 percent in 2016, although this began to increase again in recent years. Poverty also dropped from 49.7 percent in 2002 to 27 percent in 2018, and extreme poverty was cut in half from 16.4 in 2008 to 7.2 in 2018. For extreme poverty, the most important factor was public transfers, which explained most of the decline in extreme poverty rates between 2002 and 2018. This underlines how important well-targeted public transfers have been for effective poverty reduction in Colombia.
- The 2018-2022 National Development Plan (NDP) laid out the vision of a modern social policy that contributes to closing gaps in coverage and reducing inequality.** As part of the diagnostic, the NDP placed emphasis on the fact that Colombia needs an integrated information system that allows for better inter-institutional coordination between social protection agencies for the design, targeting, execution and monitoring of social policy. Hence, the NDP explicitly outlines the need for an integrated social registry that builds on but goes beyond the scope of the current targeting instrument, SISBEN, based on data on supply and demand, and enhanced through the interoperability of data bases.
- After the relatively consistent growth and poverty reduction performance, the COVID-19 crisis is causing the first recession in Colombia in 20 years and the worst in more than a century.** The economy is expected to contract by 6.7 percent in 2020. The fiscal deficit is expected to widen to 8.2 percent of GDP and general government debt is expected to increase to 66.5 percent of GDP in 2020. It is anticipated that poverty will increase between 3.0 and 9.1 percentage points, depending on the severity of the economic contraction. Importantly, the current set of policy responses, including cash transfers to households, are contributing to mitigate this poverty surge. As the COVID-19 crisis continues, the GoC is further prioritizing interventions and has highlighted a focus on poverty reduction and employment creation including through expanded social assistance programs. These priorities include targeted expenditure containment and rationalization, as well as measures to ensure that spending is as well-targeted and as efficient as possible. This objective is consistent with the one stated in the NDP of having an integrated social registry to support the design, monitoring and evaluation of social policy, including public spending.

Sectoral (or multi-sectoral) and Institutional Context of the Program

- The social protection sector in Colombia has a history of a strong policy framework and innovative programming.** Over the last two decades the Government of Colombia (GoC) has progressively built a set of social assistance, social security, and labor-market programs to support citizens, prioritizing low-income and vulnerable populations.



5. **Colombia also has developed tools and service delivery strategies to improve the effectiveness of existing social protection interventions.** The need to prioritize social spending in the most needed population prompted the development of tools to target, coordinate and track social spending. Colombia's social registry, *Sistema de Identificación de Potenciales Beneficiarios de programas sociales* (SISBEN) designed and managed by the *Departamento Nacional de Planeación* (National Planning Department, DNP) was first introduced in 1995 and since then has been the main targeting instrument for social programs in Colombia.¹ As of March 2020, SISBEN contained validated information for more than 39.4 million people, equivalent to approximately 78 percent of Colombia's population and it has been used for 21 social programs at the national level and more at the local government level.

6. **Historically, SISBEN's information is collected through census sweeps, periodically undertaken at the municipal level.** Municipal authorities are responsible for identifying and hiring the enumerators for undertaking the census sweep, in accordance with DNP's guidelines. In order to keep information up-to-date, households may request a survey for the first time or request that their household information be updated at the municipal SISBEN office, run and funded by subnational governments. DNP is in charge of the administration, coordination and supervision of SISBEN at the national level and is responsible for ensuring compliance with the conditions of entry, suspension and exclusion of citizens from the registry, calculating the households score and publishing the certified national database, which is used by programs to make decisions regarding allocation of benefits. Although Law 715 of 2001 determined that SISBEN should be updated every three years, in practice SISBEN has had only three iterations since 1995 and since 2017 is implementing the fourth iteration.

7. **Despite its merits and level of usage, SISBEN currently faces many challenges to adequately serve as the main instrument to target social spending in Colombia:** (i) The low frequency of regular updating implies gradual loss of quality and loss of reliable information over time. Although after each iteration SISBEN has improved both coverage and quality, the periodic (and expensive) census sweep approach has meant that information on household needs or "demand" for social programs becomes outdated relatively easy, making it hard to effectively target social programs. (ii) Households face various barriers to updating their own information within SISBEN. Currently the citizen's experience with SISBEN and the different social programs is almost entirely face-to-face (at municipal offices) and generally requires duplicate paperwork and documentation. In addition, due to lack of clarity around rules of access and duration of social benefits there are no incentives for citizens to update their information when household conditions are improving, because of the perception that it will make them ineligible to social programs. (iii) SISBEN does not integrate data on household needs with accurate information on the coverage of social programs and therefore Colombia lacks a consolidated beneficiary registry of social programs. Data exchange could inform program-level decisions and facilitate referrals of existing and potential beneficiaries to the most appropriate benefits and services pathways.

8. **To overcome these problems the Government has put in place a comprehensive multistage reform to address the main challenges of SISBEN.** First, in 2016 the government issued a policy document (Conpes 3877) to outline the design of SISBEN IV, with the aim to shift from a semi-dynamic to a more integrated social registry that serves as the channel for dynamic inclusion.² Second, in 2017 a Presidential Decree updated SISBEN's regulations

¹ According to decree 441 of 2017, SISBEN is defined as "an instrument of social policy, for targeting social spending, which uses statistical and technical tools that allow identifying and ordering the population, for the selection and allocation of subsidies and benefits by the entities and programs, based on the socioeconomic conditions registered in it".

² The main changes of SISBEN IV include: (i) methods to calculate welfare allowing estimations of both monetary and multidimensional household poverty, (ii) changes to the way data is collected at municipal level and shared with national government, improving the quality, reliability and reducing vulnerability to manipulation and fraud, (iii) implementation of a "social contract" setting clear rules and responsibilities for both programs and potential beneficiaries; (iv) implementation of data inter-operability with other administrative databases as well as with program beneficiary



to optimize its operation and provided specific rules for its organization and administration. Third, the 2018-2022 National Development Plan (NDP) laid out the vision of a modern social policy that contributes to closing gaps in coverage and reducing inequality and explicitly outlined the objective of putting in place an integrated social registry, that goes beyond the scope of SISBEN, including supply and demand data. Finally, during the COVID-19 crisis the government rapidly acted to expand the social registry. Using emergency decrees issued within the framework of the Economic, Social and Ecological Emergency that provided an adequate legal, political and institutional framework the government was able to introduce the concept of a *Base Maestra* (Master Database, BMA) comprised of data from SISBEN III and IV registries, which was cross-referenced with other existing beneficiary registries and with administrative records from other public entities.³ The consolidation of BMA, allowed DNP to expand the existing social registry and consolidate information from nearly 3.4 million additional people. Based on this achievement, the government issued Decree 812 of 2020 to formally create the Social Registry in Colombia, to be administered by DNP with the mandate to maintain accurate and up to date socio-economic information on households as well as track and evaluate the implementation of social programs over time.

Relationship to CAS/CPF

9. **This PforR directly supports the second pillar of the Colombia Country Partnership Framework 2016-2021 approved February 23, 2016.** Under this pillar, the CPF's third objective (Improve Access to and Quality of Service Delivery in Target Areas) aims to enhance the efficacy of social policies and programs to promote poverty reduction and economic prosperity. The role of improved targeting and better coordination of social policies proposed by the PforR is entirely aligned with this objective.

Rationale for Bank Engagement and Choice of Financing Instrument

10. **The World Bank will build the proposed PforR on a long history of engagement on social protection issues in Colombia, both with DNP and DPS.** The World Bank's long-standing engagement has primarily been through the provision of funding for consolidation and expansion of cash transfer programs, Bank-financed technical assistance and RAS work. This has included support to previous steps in the process of modernization of SISBEN as well as efforts to more tightly integrate and coordinate the provision of social programs. Most recently, the World Bank approved a COVID-19 Crisis Response DPL in which several Prior Actions were related to the Government's social protection response to the COVID-19 pandemic, including changes to the social registry. The World Bank is able to leverage significant global knowledge in the area of delivery systems, and social registries in particular, and adaptive social protection systems having supported many projects in this area and having published widely on lessons learned from global experience. It has also gained significant experience in the use of results-based operations in the sector.

11. **The PforR instrument lends itself well to the development challenge the Government faces.** The PforR instrument is appropriate for the proposed operation as the Government has a well-articulated program for which the Bank is able to provide relatively small external financing to leverage larger systemic changes, based on the achievement on results. The instrument is particularly suitable to support the operation as: (i) The goal of the proposed operation is directly aligned with the social policy goals of the PND; specifically the policy lines on“

registries to improve quality of the demand side data, (v) integration of demand and supply side data to have an integrated picture of the coverage of social programs, and (vi) mechanisms for the inclusion of partially or completely excluded groups.

³ Decree 518 of 2020 and Resolution 1093 of 2020 established the new unconditional emergency cash transfer program *Ingreso Solidario* and set the basis for the BMA.



Coordinated Actions to Reduce Poverty and Inequality” and “Tools for a Modern Social Policy”; (ii) Colombia has relatively sound institutions and procedures; (iii) by linking disbursements to achievement of results that are tangible, transparent, and verifiable, the PforR can be an effective instrument to shift focus towards the achievement of results, rather than concentrating on issues related to the financing of inputs. After the first use of the PforR instrument last year the Government has been keen to use it again for exactly these reasons, (iv) the use of the PforR instrument will ensure that priority is given to key goals of the Government; (v) the PforR instrument will also allow for improvements, as necessary, in the implementation of Governments’ own technical, fiduciary and safeguard systems.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

12. To support GOC in implementing and maintaining a dynamic integrated social registry to improve targeting and delivery of selected social programs.

PDO Level Results Indicators

- (i) Number of relevant administrative databases providing household data to the Social Registry on a regular basis; in order to measure the dynamic and integrated nature of the Social Registry, from a demand side perspective.
- (ii) Number of selected social programs with up-to-date and complete information in the Program Portfolio; in order to measure the dynamic and integrated nature of the Social Registry, from a supply side perspective.
- (iii) Percentage of beneficiaries identified through the Social Registry and registered in selected programs; in order to measure the contribution of the program to improved targeting. This indicator will be disaggregated by gender.
- (iv) Percentage of beneficiaries of selected programs covered by the social contract; in order to measure the contribution of the program to improved delivery of selected social programs. This indicator will be disaggregated by gender.

D. Program Description

PforR Program Boundary

13. **The proposed Program aims to achieve its PDO by supporting results related to the Government’s reform of its social registry.** The World Bank proposes to support the Government in addressing four underlying challenges that are currently present in the implementation of SISBEN and the establishment of the new Social Registry, each corresponding to a results area of the proposed operation. Firstly, Government needs to have complete and up-to-date information on the potential population in need of support; that is information on the potential demand for social programs and services. Secondly, that demand information needs to be integrated with accurate information on the supply and availability of flagship social programs so that they can be more effectively targeted and coordinated at household level. Supporting these two primary objectives, there is a need for effective data interoperability to further strengthen the quality, timeliness and ultimately utility of demand side and supply side data. Finally, these approaches will only be successful if supported with a robust institutional framework that promotes a “citizen-centered” approach, putting usability and accessibility at the heart of the reform.



14. **The boundaries of the Government program supported by the PforR are defined by including only those investments that are directly related to the successful implementation of the Social Registry.** The PforR will support results under the two policy lines described in the previous paragraph, which directly link to selected policy sub-lines and investment projects.⁴ These boundaries are consistent with the overall NDP milestones for the social inclusion sector, which are focused on (i) reducing poverty by increasing the effectiveness and equity of the flagship cash transfer programs; (ii) improving efficiency by implementing social management tools; and (iii) fostering equity in the targeting of the social programs by implementing SISBEN IV.

15. **Expenditure Framework.** The total public resources assigned for the Government program considered in the PforR are approximately COP 6.4 trillion (approximately USD 1.67 billion) for the period 2021 – 2023. It is expected that three types of expenditures will be financed under the government program and the total amount of the Program is USD 1,970.1 million, of which IBRD financing is USD 300 million.

16. **Suggested DLIs.** For each of the results' areas described above, the Project will define a results framework and disbursement linked indicators (DLIs) that will support actions and key results:

(i) Regarding demand information, actions will be carried out such as the completion of the SISBEN IV census sweep, and the strengthening of the SISBEN demand phase; updating the Master Base and its validation by cross-referencing it with administrative sources; and the strengthening of strategies for the inclusion of vulnerable populations currently excluded from SISBEN.

(ii) On the supply side, the project will support the government to prioritize the implementation of the Portfolio of Programs as a tool for nominal tracking of the benefits and beneficiaries that access social programs. Similarly, actions to support for the transition of the main programs from SISBEN III to SISBEN IV will be included.

(iii) In the area of interoperability, support will be given to strengthening data exchange protocols between DNP and other key entities in the Social Inclusion Sector; the application of the Social Contract between social programs and beneficiaries; and the implementation of technological improvements to support effective and permanent interoperability.

(iv) Finally, regarding institutional framework for the RSH, the program will support the government to have a more robust system, with adequate human and financial resources. In this area, priority will be given to actions such as the development of an operational manual and adequate monitoring and supervision strategy at the subnational level for the RSH; a capacity-building strategy for all relevant actors; and the availability of virtual channels so that users can consult their information and apply to receive benefits.

E. Initial Environmental and Social Screening

17. **The WB will carry out Environment and Social System Assessment (ESSA) as per the World Bank's Operational Policy 9.00.** The ESSA will provide a comprehensive review of relevant government systems and procedures that address environmental and social issues associated with the Program. The ESSA will describe the extent to which the applicable government environmental and social policies, legislations, program procedures and institutional systems are consistent with the core principles of OP/BP 9.00. Finally, the ESSA will include recommendation and Program Action Plans (PAPs) to address the gaps and to enhance performance during

⁴ An investment Project is a budgetary and management unit that links the goals and milestones of the National Development Plan with the budget allocation and the specific activities to be financed. An investment project is defined around a defined subset of activities that are to be implemented with a specific budget allocation every year. The information on financial and physical execution of each of the activities under an investment project is publicly available at the [Sistema de Seguimiento a proyectos de Inversión \(SPI\)](#) website.



Program implementation. Preliminary findings suggest that the creation of an Integrated Social Registry, which decisively articulates two policy lines of the PND (the Poverty Reduction Line and the Modern Social Policy Tools Line) will improve the availability of complete, up-to-date and dynamic inclusion information for the population that needs support from social programs and services. In addition, the program will contribute to the articulation of programs of benefits and services (demand and supply), improving the effectiveness and efficiency of access to benefits, promoting positive impacts by expanding the possibility of including populations that today are outside the social registry such as the non-regularized migrants, street dwellers and internally displaced populations and other victims. The project interventions are not expected to have any adverse environmental impacts and are expected to contribute to climate change mitigation through the creation of more adaptive social protection systems that can help households more effectively respond to chronic and acute risks.

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