I. Introduction and Context

Country Context

Over the last years, the Government of Colombia has achieved important policy goals and move forward on important reforms. Among them the adoption of structural fiscal reforms to improve macroeconomic management and a series of landmark laws, including a victims law that envisages monetary compensation for and restitution of land to the victims of the conflict in the country. The current political debate is dominated by the process of negotiations of a peace treaty with the Fuerzas Armadas Revolucionarias de Colombia (FARC) guerrillas.

Colombia's economic performance has been strong in recent years—the result of a combination of favorable context and good policy. Thanks to high commodity prices, the economy recovered from the 2008-09 global economic crisis after two quarters, compared to the regional average of close to six quarters. Relatively low inclusion in global financial markets contributed to the crisis resilience.
A strong macroeconomic framework, combined with a robust financial sector and an appropriate regulatory response, helped the economy cushion the external shock and find a way to economic expansion. Even though growth slowed down from 6.6 percent in 2011 to 4.0 in 2012 it still remains above the regional average of 3.6 percent and close to the 5.5 percent of global emerging markets. Looking forward, growth in 2013 is expected to remain similar to 2012 due to the uncertain external environment and in spite of the government's ambitious investment program and contra cyclical policy management. With less favorable external conditions, structural bottlenecks and recent labor unrest in several sectors may prevent a return to the high growth rates of the boom years (2004-08) in the near future.

Colombia exhibited a relatively strong fiscal performance in 2012 thanks to increased tax revenues resulting from recent tax reforms and favorable oil prices. The deficit of the combined public sector was reduced from -2.2 percent in 2011 to -0.1 percent in 2012, while the primary balance turned positive from -0.1 percent to 0.8 percent of GDP. This, in turn, contributed to a decline in the public debt ratio from 36.0 to 33.5 percent of GDP. The key driver was a strong increase in the central government tax-to-GDP ratio, which rose by 1.0 percentage point reaching 14.9 percent.

Economic growth in recent years has been accompanied by poverty reduction and substantial job creation. Between 2002 and 2012, poverty fell from 49.7 to 32.7 percent, and the proportion of the population that could not satisfy basic nutritional needs (the extreme poor) declined from 17.7 to 10.4 percent. Also, better economic conditions and demographics increased labor market participation by more than half a million people. In effect, in 2012 unemployment declined by 30,000 people, and the rate of unemployment declined from 10.8 to 10.4 percent. While these are positive accomplishments, Colombia’s progress in reducing poverty, given its economic performance since 2002, is still below the performance of its regional peers. Moreover, inequality levels have been stagnant. The country’s Gini coefficient (0.54 in 2012) is still the seventh-highest worldwide and the second in regional comparisons and among upper-middle-income countries.

In December 2010, the Government launched “Prosperity for All,” its National Development Plan 2010-2014. The overarching goals of this plan are to increase employment, reduce poverty, and improve security. The plan has three strategic areas: (a) Sustainable Growth and Competitiveness, (b) Equality of Opportunities for Social Prosperity, and (c) Consolidation of Peace. In addition, it highlights four cross-cutting themes: (a) Relevance of International Relations, (b) Environmental and Disaster Risk Management, (c) Good Governance, and (d) Regional Development and Integration. To consolidate the fiscal position and manage windfalls from commodities production, Congress approved a new fiscal rule, a constitutional reform of the royalties system, and a proposal to make fiscal sustainability a constitutional criterion. Tax exemptions have been reduced, loopholes closed, and import tariffs lowered in an effort to enhance revenues and promote competitiveness.

**Sectoral and Institutional Context**

Decentralization reforms have aimed to find the right balance between central control and local autonomy, equity in resource distribution, and higher efficiency in public spending. Colombia is a unitary country divided into 32 regions (departamentos), which are headed by a popularly elected governor. Departmental assemblies composed of locally elected representatives are responsible for, among other things, approving the departments’ budgets. In addition, there are about 1,100 municipalities with elected mayors and municipal councils. According to the IMF, subnational governments (SNGs) collectively account for a large share of public spending, reaching 8.1 percent of GDP in 2011. Municipalities and departments raise 3 percent of GDP in tax revenues, with the
remainder provided by the General Participation System (Sistema General de Participaciones, or SGP), central government transfer arrangements, and other funding sources such as non-tax revenues and royalties on natural resources (if available to that entity). Small municipalities tend to be more impoverished than larger municipalities: while 29% of the population at large has one or more unmet basic need, this number increases to approximately 46% in municipalities with less than 50,000 inhabitants. Given the extent of resources managed at the local level and their impact on service delivery and national development goals, the country as a whole has a keen interest in SNG efficiency and effectiveness and has been reshaping its decentralization framework.

The first adjustments were embodied in the 1986 and 1993 constitutional reforms, which transferred responsibilities and resources to municipalities and departments for the delivery of services. Also, the transfer system that resulted from the 1991 constitutional changes focused on the financing of education, health, and water and sanitation to standardize the provision of these services across regions. These reforms also provided funding to SNGs to finance the new responsibilities. At their peak in 1999, fiscal transfers to SNGs represented more than 45 percent of the central Government's entire budget. Both reforms required the earmarking of transfers. To enhance SNGs’ capacities to manage their responsibilities and resources, the 1993 reform required the certification of SNG capacities. However, earmarking did not produce the expected improvements in coverage or quality of services, and certification of individual SNGs succumbed to political pressures that led to generalized certifications during the late 1990s. Besides, the rapid increase of transfers also stimulated the growth of expenditures and debt, and diminished the incentives for SNGs to raise their own revenue.

The increasing expenditure responsibilities of SNGs were not matched by adequate instruments to collect their own resources, and transfers were excessively earmarked without adequately reflecting expenditure needs. Smaller local governments struggled to cover the share of operating expenses that were not funded by transfers, but they had little incentive to manage other expenditures effectively. The situation eventually decreased SNGs’ incentives for fiscal discipline and led to a debt crisis in the late 1990s that even threatened fiscal sustainability at the national level. By the mid-1990s, a number of shortcomings in the decentralization framework had become evident.

Between 1997 and 2003, the Colombian Government passed a second set of reforms to discourage excess spending and borrowing. In 1999 it passed a bankruptcy law (Law 550) that focused primarily on private corporations but that also included provisions for bankruptcy protection procedures for highly indebted SNGs and public enterprises that could not, or chose not to, work out a voluntary rescheduling with their creditors. Beginning in 2000, the Colombian Congress approved reforms geared toward limiting the growth of transfers and imposing strict budget constraints on SNGs through the subnational insolvency framework and spending limits. These rules also allow the central Government to establish “Debt Restructuring Agreements” with SNGs to improve SNGs’ organizational and operational capacity and correct fiscal deficiencies. In this document, this set of rules is referred to as the Fiscal Insolvency Framework (Esquema de Saneamiento Fiscal).

Since 2000, the central Government has been developing indicators and strengthening capacity to properly monitor the services delivered by SNGs and financed with transferred central resources. Because the national goals on key services have not been achieved, a third set of reforms has been approved since 2008, authorizing the Executive Branch to monitor, track, and control SNGs’ compliance with the coverage, quality, and continuity goals set out for key services financed by the
transfer system. The new system features a set of risk events (or thresholds) that may trigger the Executive Branch’s application of preventive or corrective measures on SNGs. Preventive measures may include the elaboration of “Performance Plans” between the Executive Branch and an SNG in which specific measures are to be implemented by subnational authorities to mitigate or eliminate the risk event. Corrective measures include the Executive Branch’s authority to take over SNGs’ roles and resources to ensure the provision of services at risk. This innovative tool is an important step aimed at strengthening the State’s accountability to citizens in the delivery of services, transparency and efficiency in the use of public resources, and coordination of performance between different levels of government to align them with stated national objectives.

The drive toward performance-based transfers did not stop with the results-conditioning of general Government transfers. In June 2011 the Congress approved another constitutional reform geared toward introducing results conditions in the royalties system. The royalty transfer system created in 1991 is based on the revenues of commodities such as oil, gas, and minerals. While the annual amount of royalties was previously insignificant, it has increased substantially over the past two decades in line with the rise in commodity prices and production. In 2008, royalties payments amounted to COP6 billion (US$3 billion, or 1.3 percent of GDP), six times higher than the levels of the 1990s (less than COP1 billion in 2009 prices). The new law calls for Acuerdos Marco—results agreement—between the national Government and SNGs, with the possibility of suspending the transfer for underperforming SNGs. In 2011 Congress approved the Territorial Entities Land Management Law (Ley de Ordenamiento Territorial), which complements the royalty reform by seeking to reduce the risk of investment fragmentation and low-quality projects from SNGs. It paves the way toward larger-scale projects by promoting the formation of investment-specific departmental or municipal associations, similar to the single-purpose or multi-purpose associations of SNGs that are being formed in Europe. New regional and provincial investment projects will be financed out of two new funds created by the royalty reform: the regional development fund and the compensation fund. The law also creates the Comisión de Ordenamiento, a technical and advisory body that will supervise the quality and execution of projects. It also introduces the concept of the contratos-plan, an intergovernmental coordinating tool by which the central Government delegates to SNG associations the authority to undertake projects that meet national priorities.

While it is expected that these new laws, systems, procedures, and potential sanctions will lead to improvements in SNG performance, additional measures are required to improve SNG service delivery. In particular, Colombia still faces the following challenges:

(a) Pending adjustments in the decentralization macro-framework. As Bird highlighted and a recent World Bank study showed, there have been successes and failures in SNGs, with no clear correlation with size or economic resources. The impact of the decentralization framework has been mixed. One of the main reasons is the lack of incentives to promote SNGs’ own revenue collection, and the lack of accountability created by the control of services’ inputs by different levels of government.

(b) More attention to broadening local revenue sources. Colombia’s property tax collection, at 0.55 percent of GDP, is below the average for Latin American countries (0.62 percent of GDP) and the average for OECD countries (2.6 percent of GDP, with the United Kingdom at the highest level of 4.0 percent). Most local tax administration authorities (except those in the big cities) have weak management and controlling capacity, especially as regards certain consumption taxes.

(c) Failure to build local capacity to manage a more decentralized system. A recent World Bank study on Colombia’s decentralization found that although there were significant increases in
service coverage, these improvements have come at very high costs, have not attained the expected results, and have had very uneven impacts among SNGs. Clearly, few SNGs are close to their potential level of performance. Poor capacity in expenditure planning and execution, treasury and accounting, public procurement, internal control and auditing, and human resource management commonly undermines the efficiency of subnational expenditure. The important progress the central Government made in reforming its financial management system (by launching the Sistema Integrado de Información Financiera, or SIIF) has not extended to SNGs. Cash management is poor, and payments to service providers are often delayed, affecting service delivery prices. Despite improvements in the legal and regulatory frameworks that govern procurement systems, SNGs lack adequate capacity to manage these systems, and often resort to legacy or informal procurement practices. Additionally, SNG administrative and financial software systems are generally outdated, require a high degree of manual entry, do not allow for data sharing between management functions (such as budgeting and accounting, for example), and do not permit fluid information sharing with higher levels of government, thus reducing the efficiency of administrative processes and occupying time that would otherwise be dedicated to program management and attention to citizens.

(d) Failure to build up central Government capacities to manage decentralization. The coordination and monitoring mechanisms described above are the key elements of the institutional framework created in Colombia during the last 10 years to improve coordination between the central Government and SNGs. This institutional framework has specific functions and monitoring mechanisms; but most importantly, it also provides tools for supporting SNGs in improving their capacities to manage the administration of resources and the delivery of services. Its “Debt Restructuring Agreements” set out in the Fiscal Insolvency Framework, “Performance Plans” created by Decree 028 for the SGP, and “results agreements” and contratos-plan included in the royalties reform are the main tools the central Government can use to help SNGs build the management capacities they need to improve the delivery of services. Unfortunately, the breadth of programs, funding sources, agency responsibilities, and central and SNG priorities challenges the central Government’s ability to coordinate its interventions. For example, demands for information by various central entities often are duplicative, vary in content or timing, and/or reflect arbitrary agency-specific priorities that together add administrative burden and costs to reporting SNGs.

(e) Disperse demand-side initiatives. The incentive structure for improved SNG performance is not ideal, not only because of the frequent changes in the policy environment, lack of sufficient or clear local taxing power, non-conditional central Government transfers despite poor local revenue efforts, and limited range of fiscal incentives or disincentives from the central Government to effectively reward or sanction performance, but also because of lack of transparency and accountability in many (usually smaller) municipalities and failure to promote demand-side pressures. In many countries, successful fiscal federalism reforms hinge largely in the successful application, within a clear legal framework, of a customized mix of incentives and policies, often developed at the local level and piloted, refined, and then replicated nationwide.

Recognizing the critical importance of improving SNG performance for the provision of basic services to strengthen economic growth, social development, and domestic stability, the Government is adopting a new approach. Following approval of legislation in 2012, the presumption is that although additional reforms to the decentralization legal framework are needed, the focus must be directed to build SNG capacity, strengthen central Government monitoring and assistance to SNGs, and increase effective demand for SNG performance at the local level.

On the supply side, the Government is focusing on strengthening SNG management capacity. The new approach seeks to create a coherent and structured supply of capacity-building tools to SNGs,
especially in the following areas: (a) completion of first-generation reforms in management areas required to improve the allocation and the use of public resources for service delivery, such as planning, investment, procurement, and financial management; (b) completion of first-generation reforms in management areas required to improve collection, mainly the local tax administrations; (c) review of the framework regulating SNGs’ civil service, to ensure the technical continuity with low turnover of technical staff needed for the success of larger, multiyear projects; and (d) performance measuring, project monitoring, intergovernmental negotiation and outsourcing skills, as well as the formation of public-private partnerships, which will likely be more important for SNGs than specific sector skills.

The central Government, international cooperation institutions and various public agencies have been implementing different programs to support enhanced administrative and managerial capacities in SNGs. The common factor of these efforts has been the creation of capacities aimed at producing the inputs required by the different legal frameworks of the public management areas. While these input-based capacity-building activities should continue, there is an important need to focus capacity-building activities on the solution of problems that prevent the adequate delivery of services and to focus more directly on service outcome. The World Bank’s Rapid Assessment and Action Plans (RAAPs) confirm the efficiency of such an approach. Colombia had long been dominated by an input-based administration with a corresponding accountability scheme. The new drive toward performance management came under the influence of New Public Management as well as models of excellence and quality control in the private sector. Initially limited to fiscal results, performance has increasingly expanded to cover the delivery of services. The third wave of decentralization reforms in Colombia, with the performance tools included in the system to monitor, track, and control SNG compliance with the coverage and quality goals set out for key services financed by the transfer system, in addition to the new royalties system, are tools that can be used to improve SNG management capacities and thus the delivery of services.

The Government recognizes that Colombia’s experiences with demand-side initiatives need to be gathered, systematized, and expanded to be more broadly applicable for different types of SNGs and replicated nationwide. Local initiative and preferences will play a key role in the evolution of this effort, but the Government wants to make examples available, facilitate peer learning, identify and publicize successes, explore and reinforce the transmission lines between better accountability and performance, and to the extent possible reward the SNGs that make the most progress. The central Government is leading, supporting, and promoting mechanisms to raise citizens’ participation in the planning, budgeting, and execution of public investments. However, all these initiatives are being led by different agencies, with different methodologies, and they are not being coordinated to take advantage of synergies. Some SNGs receive support from the Directorate of Fiscal Support (Dirección General de Apoyo Fiscal, or DAF) to prepare a participatory budgeting process, while others receive support from the Directorate of Royalties to promote citizens’ participation in the monitoring of projects financed with royalty funds. However, the central Government has no coordinated effort or strategy to promote the institutionalization of citizen participation mechanisms at key points in the expenditure chain. This calls for a definition of a new strategy to enhance citizen participation and raise the levels of accountability.

**Relationship to CAS**

The proposed operation is fully consistent with the priorities of both the Colombian Government and the Bank. The National Development Plan for 2010-2014 identifies eight major pillars, one of which lays out a strategy for convergence and regional development. The regional focus is based on
the recognition of local differences in order to formulate public policies and programs in accordance with the specific economic, social and cultural characteristics and capacities of the various territorial entities. In parallel, the Country Partnership Strategy FY2012-2016 (CPS) supports Improved Public Sector Management: Good Governance and Decentralization Programs with specific focus in the national government’s management institutions, the decentralization framework and the governance and public management capacities at the sub-national level of government.

Among international financial institutions, the Bank is Colombia’s main partner in supporting the country’s development agenda. The World Bank Group and the Government of Colombia have built a productive and dynamic dialogue on a wide range of development issues, including enhanced governance and public management efficiency. This has led to a strong lending program and the Bank is currently Colombia’s largest single creditor.

Through its long engagement with Colombia, the Bank has gained significant knowledge and expertise in the areas most critical to the country’s development. In particular, the Bank has been engaged with Colombia for many years in the improvement of public sector management and good governance and has supported initiatives in decentralization, public-sector capacity building, SNG performance assessments, monitoring and evaluation, and results-based management. The project will build on the Bank’s longstanding relationship on governance issues and would fill the gaps in institutional arrangements to meet national goals on SNG capacity. Sub-national capacity strengthening and improved coordination with the central government could also contribute to emergency responsiveness. The proposed operation would help to apply the findings and recommendations of analytical work like the “Colombia Decentralization: Options and Incentives for Efficiency”, or the technical support provided to SNGs through the “Rapid Assessments and Action Plans.” The operation will also help to consolidate recent decentralization reforms to the SGP and royalties systems, both supported by Bank’s analytical advice provided through the “Colombia Programmatic Decentralization Support” and “Colombia Programmatic Knowledge Services.” The Consolidation of National Public Management Information Systems Project aims to improve transparency and inter-operability of the Central Government’s main management information systems and could inform and support the proposed Sub-national Institutional Strengthening Investment Loan.

The strengthening of management capacities and the establishment and improvement of public management processes and systems supported by the proposed project, will complement current efforts being supported by the Bank to consolidate and enhance public management capacities at the central government level. Sub-national capacity strengthening and improved coordination with the central government could contribute to emergency responsiveness as well. As mentioned, the "Consolidation of National Public Management Information Systems" project is currently focusing on further developing financial management and public investment systems in the central government, while the "Monitoring and Evaluation SIL" focuses on strengthening the mechanisms being used by the central government to monitor the delivery of services. The proposed project will strengthen SNGs’ capacities to manage and report public expenditures; this information will provide more reliable data to be used by the central government’s systems (supported by the mentioned Bank projects). The proposed project will also take advantage of the synergies with other Bank projects, such as the Fiscal Sustainability and Growth Resilience Development Policy Loan.

Finally, the Bank can play a key role as facilitator. The inter-institutional structure of the project is complex, and it will benefit from the Bank’s experience acting as a facilitator, helping forge work
agreements and cooperation among various entities. The Bank has already established a very effective working relationship with the authorities of the participating government entities, including MHCP, DNP and SNGs.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)
The project’s higher level objective is to improve service delivery and the development objective is to improve sub-national governments’ responsiveness and accountability through the strengthening of sub-national government public management capacities, coordination among central and SNGs and enhanced citizens’ participation in SNGs affairs.

Key Results (From PCN)
The expected results are:
1. More transparent, efficient and effective management capacities in SNGs facilitate the improvement of the quality of public expenditure and the delivery of services.
2. Enhanced National Government institutions and strengthened SNGs facilitate the alignment of planning and investment priorities with the National Development Plan’s service delivery goals.
3. Improved mechanisms and incentives for citizens oversight of SNGs management and expenditures and enhanced transparency in SNGs improve SNGs responsiveness to citizens' demands and communities needs.

The team will propose more quantifiable and measureable indicators for the above results areas in the next stages of preparation.

III. Preliminary Description

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

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

• A first selection, will include SNGs with weak fiscal performance identified by the MHCP through the mechanisms stated in the “Fiscal Insolvency Framework”; SNGs with weak management of SGP resources identified by MHCP through the “Decree 28 Framework to Monitor,
Track and Control SGP resources”; or, SNGs with weak management of royalties resources identified by DNP or MHCP (the Law is currently under discussion in Congress) through the “Framework to Monitor, Track and Control Royalties resources”.

Second, the project activities will be implemented progressively, prioritizing SNGs on the basis of criteria that will include population, poverty and gaps on services coverage and quality factors.

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

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

Colombia has 6 institutional arrangements for coordination among Central and SNGs aimed to oversee, control and monitor the fulfillment of the service delivery goals stated in the National Development Plan. The mechanisms to oversee the adequate use of resources in SNGs include the fiscal insolvency framework that oversees the fiscal performance of SNGs; the Decree 28 framework to monitor, track and control the resources form the transfer system (Sistema General de Participaciones); the regime to monitor, track and control the royalties resources (which as mentioned is being defined in the new royalties law currently in the Congress). New institutional arrangements have been developed through the National Development Plan, including the “Program for the Creation and Strengthening of Institutional Capacities for Territorial Development” which includes mechanisms to enhance SNGs management capacities and civil society participation; the Land Management Law which sets new mechanisms to strengthen regional coordination and investment; and the Formulario Unico Territorial, a tool aimed to structure the information required from SNGs to oversee the use of public funds.

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

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

The proposed project would be implemented over seven-year period, and would comprise five components.
Component/Part 1: Institutionalization of DNP’s Territorial Deputy Direction and bases for the articulation of territorial policy (US$10.000 million). The provision of support to DNP, including consultant services, training, and technical assistance to improve territorial strategic planning with a national perspective, toward a better sector coordination and taking regional priorities into account. Activities would include the following:
(a) Strengthening and institutionalizing DNP’s Territorial Deputy Directorate.
(b) Elaborating territorial strategic analysis, assessments, and alternative scenarios for development, policies, and strategies (national Government).
(c) Identifying, collecting, and making available information for regional planning decisions; and generating results information and articulating the sources of regional development financing (national and regional governments).

Component/Part 2: Designing and implementing a territorial management performance incentive framework (US$11.560 million). The provision of support to DNP, including operating costs, training, and technical assistance for carrying out activities aimed at the following:
(a) Defining performance indicators and information tools to measure SNGs’ public management capacity development.
(b) Defining standards and good practices in subnational public management performance.
(c) Designing and implementing an incentive framework to reward subnational management performance.

Component/Part 3: Design and implementation of a Territorial Management Strengthening Strategy and technical assistance (US$32.530 million). The provision of support to DNP and MHCP, including software non-consultant services, operating costs, training, and technical assistance for the design, development, and implementation of a management model for SNGs or territorial entities, and support for the generation of performance information about municipal management. Activities would include the following:
(a) Strengthening territorial entities’ (or SNGs’) management capacities.
(b) Supporting the design of the Territorial Management Model (TMM) cycle (from planning, administrative management, and financial management, to monitoring and evaluation concepts), identifying and developing methodologies and technological tools to help ensure easy adoption and institutionalization of the model (see Annex 2 for greater detail on the TMM).
(c) Design, development and implementation of a Territorial Management Information System (TMIS)
(d) Strengthening the governing entities (or entes rectores) of the TMM, and
(e) Strengthening citizen participation and social control.

Component/Part 4: Strengthening the national Government’s territorial public management capacities to control, monitor, and evaluate (US$5.720 million). The provision of support to DNP, including operating costs, training, and technical assistance for carrying out activities aimed at the following:
(a) Strengthening Government control capacity for spending carried out by territorial entities.
(b) Improving instruments for territorial management control, such as such as risk maps, standards and benchmarks, and control metrics.

Component/Part 5: Support to Project Management and Administration (US$10.190 million). The provision of support to DNP, specifically the Project Management Team in the Subdirectorate for Territorial and Public Investment (STIP), to implement and execute the project and support services.
via the fiduciary agent FINDETER, including goods, consultant services, non-consulting services, operating costs, and training for carrying out adequate management, monitoring, reporting, auditing, and evaluation of project implementation activities and the Borrower’s reform agenda (all should be procured observing the applicable World Bank procurement procedures; see Annex 3 for more details on the execution arrangements).

IV. Safeguard Policies that might apply

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V. Financing (in USD Million)

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VI. Contact point

World Bank

Contact: Pedro Arizti
Title: Senior Public Sector Specialist
Tel: 5280+254 / 5
Email: arizti@worldbank.org

Borrower/Client/Recipient

Name: Ministerio de Hacienda y Credito Publico
Contact: Ana Lucia Villa
Title: Directora General de Apoyo Fiscal
Tel: 57-1-3811700
Email: avilla@minhacienda.gov.co
Name: DNP
Contact: Camila Aguilar
Title: Directora de Desarrollo Territorial Sostenible
Tel: 57-1-3815000
Email: caguilar@dnp.gov.co

Implementing Agencies
Name: DNP
Contact: Paula Acosta
Title: Subdirectora de Planeacion Nacional
Tel: 571-381-5000
Email: pacosta@dnp.gov.co

VII. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop