

Project Name Colombia-Second Magdalena Medio (@)...
Regional Development Project

Region Latin America and Caribbean Region

Sector Community Action Program

Project ID COPE57692

Borrower(s) REPUBLIC OF COLOMBIA

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Environment Category B

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1. Country and Sector Background

While Colombia is a country with a long history of political violence, since the late 1980s the problem has become more widespread, particularly in rural areas, and is exacting an increasing economic and social toll. Many areas of the country are under active dispute between guerrilla and right-wing armed groups referred to as paramilitaries. The current presidential administration which assumed office in August 1998 put promotion of peace at the center of its agenda. The Government's development strategy contained in the National Development Plan (NDP) for 1998-2002, *el Cambio para construir la Paz* is conceived to promote conditions to make a viable peace and guarantee its long-term sustainability. A two track approach to the peace process is being pursued: (i) at the political, national level negotiations for peace with various armed groups; and (ii) at the local and regional level pursuing specific initiatives to build social capital and address the root causes of violence which have long-standing local dimensions. The NDP recognizes that while violence and conflict affect the entire country, certain areas of the country are affected particularly hard. It indicates that one of the principle factors contributing to increased levels of violence is political exclusion, poverty and inequality, and argues that peace needs to be constructed through an integrated economic and social policy. The NDP includes the outline of a special plan for economic, social and environmental reconstruction of zones most affected by violence. The

active involvement of civil society organizations (particularly grassroots community organizations) and alliances between the public and private sectors, and international organizations is called for. The expectation is that this plan will generate conditions for achieving peace, by promoting a participatory model of management at the regional level which brings together the interests of society and the parties in conflict. According to the NDP, action in five thematic areas will be supported: productive processes, promotion and protection of human capital and humanitarian action, institutional development and strengthening social capital, construction of infrastructure for peace, and promotion of environmental sustainability. The critical need for a flexible approach in carrying out programs in conflictive areas is emphasized. The approach in the NDP is based heavily on the philosophy and strategy contained in the Program for Development and Peace in the Magdalena Medio Region (PDPMM) which was initiated in 1995 with support from the national petroleum company (ECOPETROL) and the Catholic church. The Magdalena Medio region does not correspond to a single political-administrative unit. It is composed of 29 municipalities located in 4 Departments (Antioquia, Santander, Bolivar and Cesar) which share the following characteristics: proximity to the Magdalena River and its culture, influence of the petroleum industry and importance of ECOPETROL, recent settlement (major influx in the 1950s), inattention (at least until recently) of the Departments in which the municipalities are located, and a high level of armed conflict and violence. A majority of the population of around 810,724 live in rural areas or secondary towns, while 36% of the people live in two cities, Barrancabermeja and Aguachica. The first Magdalena Medio Regional Development Project (Ln. 4371-CO) which supported the second phase of the PDPMM (loan approved in June 1998 and closed on schedule on December 30, 2000) was a pioneering project for both the Bank and the Government of Colombia: promotion of a community-based, participatory approach to development and peace in one of the most conflictive regions of the country. The Government delegated the implementation to a Consortium composed of a well-respected NGO with Jesuit roots and the Catholic Diocese of Barrancabermeja, the main city in the region and birthplace of the petroleum industry in Colombia; counterpart funding was provided by ECOPETROL. Government oversight was provided by the National Planning Department and through a National Technical Committee (Consortium, DNP, ECOPETROL, UNDP with the Bank attending as an observer). The participatory, community oriented methodology for promoting development in the midst of conflict piloted under this project proved effective at creating a longer term vision of a better future for the region, strengthening the region's human and social capital, mobilizing resources and attention for the previously neglected region, and starting a community-led process of improving basic services and investment. The methodology and lessons are now being used by the Government and others to promote similar regional development programs in 9 other conflictive areas of Colombia.

2. Objectives

The proposed follow-up project will build on the lessons and successes of the first project, and extend the learning into challenging new areas. The main purpose of this LIL is to test new forms of managing and operating the PDPMM which result in: (a) an increase in the influence of citizens in local and regional development; (b) local institutions which are responsive and accountable to citizens; and (c) tangible social and

economic benefits. In this regard, the project will focus on learning in four areas involving testing of: new organizational and operational mechanisms for managing the program (PDPMM) which increase the role of community organizations, take into account the diverse conditions in the region particularly the armed conflict, and gradually decrease dependence on the Corporation for Development and Peace Magdalena Medio (component 1); approaches for strengthening local institutions, both private and public, to make them more responsive to citizens needs and priorities, and accountable for their actions (component 2); approaches for implementing productive projects which increase the probability of their success (for example, methodologies to help small producers and the poor develop sound market approaches) and contribution to the economic and social development of the region (component 3); and approaches to developing and implementing social initiatives which respond to the needs of vulnerable communities (extreme conditions of poverty and impact of armed conflict) and serve as a vehicle that eventually permits these communities to move on to pursue integrated and sustainable development initiatives (component 4). The project will pave the way for the next (fourth) phase of the PDPMM which will be more ambitious in terms of the poverty and peace objectives, amount of funding, and the leadership role of communities. The long-term objective of the PDPMM remains: increased social capital and empowered citizens lead to a significant reduction in poverty and increase in peaceful coexistence in the Magdalena Medio Region.

3. Rationale for Bank's Involvement

This section not required for a LIL.

4. Description

The project has four components, each associated with a specific learning area: Program Leadership and Increased Role of Communities (US\$3.41 million), Strengthening of Local and Regional Institutions (US\$0.89 million), Productive Subprojects (US\$1.75 million), and Social Subprojects in Vulnerable Communities (US\$0.30 million). Components 1 and 2 focus on increasing the community role in program management and capacity to influence local affairs. Components 3 and 4 relate to generating tangible social and economic benefits from productive and social projects.

5. Financing

Total (US\$m)

Total Project Cost 6.35 (of which 5.0 IBRD loan and 1.35 counterpart funding).

6. Implementation

The project will be implemented over a period of three years under arrangements which proved effective during the first project. The National Planning Department (DNP) is responsible for the project with the assistance of a National Technical Committee established under the first project. The Corporation for Development and Peace for Magdalena Medio (CDPMM) will be the project implementing agency. Implementation mechanisms which proved successful under the first project would be continued with some adjustments: annual operating plans, semi-annual monitoring and evaluation reports, external evaluation by independent entity, and an operating manual to guide the development of subprojects.

7. Sustainability

This section not applicable for a LIL.

8. Lessons learned from past operations in the country/sector

This project builds on the lessons of the first project which was pioneering for the Bank and Colombia. The participatory, operational model for promoting development piloted under the first LIL functioned well in the complex, conflictive environment of the region. The model is characterized by the following basic elements: it is sustained by a change agent (the CDPMM) which enjoys high credibility among all the stakeholders; it is based on community and individual participation in the making of decisions about the community's development, and establishes specific mechanisms for this participation (e.g. the nucleus of the citizen's network, municipal proposals, and project initiatives); it is based on a methodology that takes into account the capacity and 'initial state' of the citizens, and from this base initiates the learning and capacity building of community organizations so that they are able to take charge of their own development. Further, it recognizes and supports existing organizations and previous experiences in these communities; it encourages communities to define a long-term development strategy for their community, municipality and region, while supporting "learning by doing" around more concrete and immediate goals and actions; the change agent (CDPMM) operates in a decentralized manner; the change agent's staff (CDPMM) act consistently in accord with defined values of respect, transparency, autonomy, and defense of the public interest. One of the lessons in applying this approach was that increasing the capacity of individuals and communities to take charge of their own development, particularly in a conflictive climate, takes more time than originally expected particularly to develop their ability to prepare and implement specific investment projects which translate into increased incomes and better standards of living. The latter will be a focus for the follow-up project. Other key lessons of the first project are the need for flexibility and continuous learning when promoting a participatory approach in such a complex environment, and to expect a substantial variation in the rate of implementation and development depending on the varied conditions in different parts of the region. The follow-up project will test operational mechanisms that take into account the differentiated conditions and implementation rates.

9. Program of Targeted Intervention (PTI) Y

10. Environment Aspects (including any public consultation)

Issues : The project does not raise any major environmental issues and no adverse environmental impact is expected; nor does the project have expected impacts related to involuntary resettlement, indigenous peoples, or cultural heritage. In regard to subprojects financed under components 3 and 4 (accounting for 30% of Bank funding), screening procedures based on best practice for social funds which were included in the Operating Manual and applied by the CDPMM under the first project will be utilized and updated for the second. In any cases where Colombian law requires an environmental license to carry out a subproject, the CDPMM will ensure that the license has been obtained prior to providing funding for implementation of the subproject. For any subprojects requiring environmental assessments, the community organization sponsoring the subproject will be involved in preparing the terms of reference, overseeing the work of the consultants, discussing the

studies' findings, and agreeing on and implementing the mitigation plan (if one is required). Thus, the entire process will involve consultation with stakeholders.

11. Contact Point:

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

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