### BASIC INFORMATION

#### A. Basic Program Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Program Name</th>
<th>Parent Project ID (if any)</th>
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<td>Colombia</td>
<td>P169866</td>
<td>Improving Quality of Health Care Services and Efficiency in Colombia</td>
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<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<table>
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<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tr>
<td>Program-for-Results Financing</td>
<td>Republic of Colombia</td>
<td>Ministry of Health and Social Protection</td>
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**Proposed Program Development Objective(s)**

The Development Objective of the Program is to support improvements in the quality of healthcare services and in the efficiency of the health system.

### COST & FINANCING

#### SUMMARY (USD Millions)

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<tr>
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#### FINANCING (USD Millions)

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**Total Government Contribution**

1,793.00
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<th>Total Non-World Bank Group and Non-Client Government Financing</th>
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<tr>
<td>Trust Funds</td>
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B. Introduction and Context

Country Economic Context

1. Colombia’s economic growth has begun recovering gradually since mid-2017, supported by sound fiscal and monetary policies. A robust macroeconomic policy framework has enabled orderly fiscal and external adjustments to the significant external shocks experienced over the mid-2014-2015 period. Growth had fallen to 1.4% in 2017, before accelerating gradually to 2.6% in 2018. Lower inflation and a slightly accommodative monetary stance supported a recovery in consumer confidence and private consumption. Economic growth is expected to accelerate gradually to 3.3% this year, and further to 3.6% in 2020.

2. Colombia’s economic perspectives, while stable and solid in their fundamental variables, are strained by several factors that affect economic growth, such as the decline of oil prices, rising unemployment and a tight fiscal outlook. Recent tax reforms have not been sufficient to compensate adequately for the growth in public spending, leading to large fiscal deficits. Moreover, Colombia is currently affected by an unprecedented migration movement triggered by the economic, political and social crisis experienced by Venezuela. The migration crisis places a significant burden on Colombia’s public finances and social services infrastructure. The country has shown important reductions in poverty, but still large gaps in terms of access to services and quality of care remain. Given its tropical geographic location, biodiversity and topography, Colombia is also particularly vulnerable to climate change.

3. The Government of Colombia concluded the formulation and approval of the 2018-2022 National Development Plan (Plan Nacional de Desarrollo, PND). With a projected investment of approximately COP$550 trillion (around US$180 billion) for the next four years – 50% of the Government’s pluriannual investment plan for the period – the PND seeks to increase capital formation and multifactor productivity, which are expected to increase the country’s potential growth. The PND aims to: a) reduce monetary poverty by 2.9 million people (thus reducing the monetary poverty rate from the current 27% to 21% in 2022); b) reduce the population in extreme poverty by 1.5 million people (from 7.4% currently to 4.4% in 2022); c) reduce the population in multidimensional poverty by 2.5 million people (from 17% to 11.9% in 2022); and d) create 1.6 million additional jobs during the four-year period of its implementation.

Sectoral and Institutional Context

4. The Colombian General System of Social Security in Health (Sistema General de Seguridad Social en Salud, SGSSS) provides almost universal insurance coverage and a significant level of financial protection to its beneficiaries and is regarded as one of the country’s major social achievements of the last decades. The increase in health insurance coverage achieved after the approval of the 1993 health reform (Law 100), from 23.5% in 1993 to around 94-96% since 2010, had a particularly large impact on the poor: during the period 1997 to 2016, health insurance coverage for those in the lower income quintile increased from 42% to approximately 93% and from almost 48% to 93.5% for those in the second quintile. Nevertheless, insurance coverage among migrants remains low. Although registered migrants are eligible to the SGSSS, only 25% of those eligible are currently affiliated and only 35.8% of those are enrolled in the...
subsidized regime. In addition, indigenous groups in frontier areas\(^1\) are potentially eligible to the SGSSS but need to be recognized by the relevant indigenous authorities so that their rights can be exercised, which constitutes an additional barrier to coverage.

5. **Some of Colombia’s main health outcomes show important progress in recent years, but due to the demographic and epidemiological transitions, the country is simultaneously experiencing a rapid increase in the prevalence of non-communicable diseases (NCDs), which contribute to growing concerns regarding the financial sustainability of the SGSSS.** Chronic malnutrition, adolescent pregnancy and vaccination coverage have all shown substantial improvements. Colombia has also one of the most comprehensive immunization programs in Latin America. However, as the population ages and is increasingly exposed to health risks factors such as poor dieting, smoking, drinking and sedentary habits, NCDs have become the main causes of death and disability. As the treatments of chronic diseases are more complex and expensive, the increased burden of NCDs has contributed to the rapid growth of total health spending. In addition, the system’s financial and economic strain is compounded by conjunctural elements such as the migratory process and the demands imposed by the peace agreements.

6. **Despite the efforts made towards the expansion of insurance and service provision coverage, significant issues remain, particularly those related to quality of health care and health system efficiency.** Much of the focus of the Colombian health policy agenda since the health reform of 1993 has been directed towards the expansion of insurance and service provision coverage. This model boosted the provision of curative care to the detriment of health risk management and health promotion and primary and secondary prevention. As a result, quality-related indicators, such as those associated with early cancer detection, hospital readmission rates, avoidable hospitalizations, pregnant women receiving prenatal care and newborns protected against tetanus remain below optimum levels and/or are lower than the regional average. In addition, improvement in health outcome indicators such as neonatal, infant and under-five mortality rates show results that are inferior to those observed in the region and Organization for Economic Co-operation and Development (OECD) averages, with its negative impacts on overall costs to the system.

7. **Challenges such as those related to the improvement and strengthening of pharmaceutical policies and to the growth in judicial claims related to health remain and impose a strain on the overall efficiency of the sector.** The cost of medicines represented, on average, approximately 21\% of the SGSSS total health spending between 2007 and 2017, but until the early 2010s Colombia did not have a framework to regulate pharmaceutical prices. Since then, the MSPS has introduced several measures to improve and strengthen its pharmaceutical policies. However, results in terms of access to medicines and total spending have been mixed and the country still needs to further develop its capacity to supervise and monitor pharmaceutical services.

8. **It is important to emphasize that, in addition to the financial pressure that it generates, the Venezuelan migration has a direct impact on the quality of health services and on the efficiency with which these services are provided.** By June 30, 2019 there were more than 1.4 million Venezuelans in Colombia; including both regular and irregular migrants, and as of June 2018, approximately 253 thousand

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\(^1\) Wayuu (La Guajira), Kurripako (Guainía, Vaupés and Vichada), Piapoco (Vichada), Yukpa (Cesar – Serranía del Perijá), Puinave (Guainía, Vichada y Guaviare), Saliba (Casanare and Vichada), Piaroa (Vichada) and Sikuani (Vichada, Meta, Casanare).
Colombians had recently returned from Venezuela. The cost of providing health services to the returnees and eligible migrants is substantial, thus putting additional pressure on the financing of the health system. In addition, contrary to traditional migratory processes, the current inflow, which increased markedly in 2018, is characterized by a very rapid arrival of people and a relatively high proportion of individuals in conditions of socio-economic vulnerability and requiring urgent or acute care, thus placing a significant burden on health care facilities.

9. Finally, given its tropical geographic location, biodiversity and topography, Colombia is particularly vulnerable to climate change, with significant impacts on the health sector. Climate change impacts, including observed and anticipated increases in temperature, rainfall, sea level rise and weather volatility, pose direct effects on health outcomes resulting from direct exposure to extreme temperatures (heat waves) and severe weather events, such as floods, storms, droughts or forest fires. In addition, climate change is expected to increase the incidence of vector-borne diseases such as malaria and dengue and damage the health service infrastructure.

**PforR Program Scope**

10. The program to be supported by this PforR is part of the Government’s 2018-2022 National Development Plan ("Plan Nacional de Desarrollo," PND). The main objective of the Government’s health sector program is to simultaneously improve the health status of the population, guaranteeing high standards of quality and satisfaction on the part of the users, as well as the optimal use of available resources. In order to achieve this triple aim, the Government program proposes the construction of a pact that allows all the agents of the health system and civil society, in a concerted manner and through clear commitments, to ensure that the health system is effectively leveraged as one of the priority accelerators for social mobility and equity. The Government’s health sector program connects six broad objectives: (i) strengthen the stewardship and governance of the health system; (ii) define public health priorities and interventions; (iii) organize all health sector actors around the promotion of quality services; (iv) invest in infrastructure and allocate resources to ensure access and foster quality; (v) develop, strengthen and properly recognize the value of human resources for health; and (vi) reach efficiency in spending through the optimal use of the resources available and the addition of new resources from all stakeholders. The PND allocates COP$119 trillion (US$ 35,000 million) for the period 2019 – 2022 of public resources to the health program.

11. In response to the growing problem of gender violence, the PND has also defined a specific gender-related program area. Data from the 2015 Demographic and Health Survey (Encuesta Nacional de Demografía y Salud, ENDS), show that 66.7% of women between 13 and 49 years of age surveyed and in a heterosexual union reported having suffered some type of violence in the last five years (64.1% responded that they had been victims of psychological violence, 31.9% of physical violence, 31.1% of economic violence and 7.6% of sexual violence by an intimate partner). For every man who claims to be a victim of violence by his partner, six women do so. The *Equity Pact for Women* present in the PND seeks to empower women, particularly in rural areas, by ensuring the inclusion of rural women in the processes.

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2 In 2018, the MSPS diverted approximately 7 Million USD to public hospitals to help pay for the urgent care of Venezuelan migrants. Between August of 2017 and June of 2019, the MSPS spent an additional 6 Million USD to purchase vaccines to immunize the migrant population (these costs do not reflect the total cost of the vaccination, as they do not include other inputs, personnel, transport, etc.).
of social and productive organization, in the provision of agricultural extension services, and access to credit, leading to an equitable and sustainable rural development. In addition, the pact seeks to strengthening the local capacities to prevent, address and protect women against violence.

12. **Program boundaries.** The PforR will support specific results under objectives I, III, V and VI of the health program, and objective II of the Pact for Women, that are related to improving quality and efficiency in the SGSSS. The PforR will focus its assistance in the health sector stewardship and managerial functions of the MSPS and, as such, will support the development of policies and regulations required to achieve the Program’s expected results during its three-year (2020-2022) implementation period.

13. **The proposed PforR will be structured around two results areas, as follows;**

   (a) **Results area 1: improve the quality of health care services.** This results area aims to improve the quality of health care services provided by the SGSSS and to promote interventions to help the MSPS address the pressures on the delivery of care resulting from the migratory influx from Venezuela. This results area relates to objectives III (organize all health sector actors around the promotion of quality services), and V of the PND (develop, strengthen and properly recognize the value of human resources for health), and is aligned with objective II of the Equity Pact for Women (institutional strengthening to protect women victims of violence).

   (b) **Results area 2: improve efficiency in the health system (SGSS).** This results area supports the Government of Colombia in the implementation of targeted interventions aimed at improving the efficiency in the delivery of health services, including those measures aimed at ensuring efficiency in the delivery of services to migrants. This result area relates to objectives I, III and VI (stewardship and governance, reach efficiency in spending through the optimal use of the resources available, and the addition of new resources from all stakeholders) of the Government’s program.

C. Proposed Program Development Objective(s)

14. **The Development Objective of the Program** is to support improvements in the quality of healthcare services and in the efficiency of the health system.

15. **The higher-level objective of the Program** is to contribute to the longer-term goals of strengthening the financial sustainability of the health system and improving health outcomes.

16. **The three PDO indicators proposed are also indicators of the PND endorsed by the Colombian Congress:**

   (a) Percentage of women with breast cancer detected in early stages, up to stage IIA, at the time of diagnosis;

   (b) Performance index for public hospitals (composite performance index of 17 performance indicators); and

   (c) Efficiency gains achieved over the period 2020-2022 with the introduction of new regulations in the pharmaceutical market.
D. Environmental and Social Effects

17. The combined risk assessed at entry is low; the ESSA confirms that the current system for managing the environmental aspects of the Program are reasonably covered by the regulations and institutional capacity of the entities involved. The findings from the ESSA are intended to ensure that the Program is implemented in a manner that maximizes potential environmental and social benefits and avoids, minimizes or mitigates adverse environmental and social impacts and risks.

18. The relevance of the ESSA core principles in relation to the program activities has been assessed. Four core principles are relevance for the Program, while Core Principe 2 - Impacts on natural habitats and physical cultural resources and Core Principle 4 - Land Acquisition, are not pertinent in this case since there is no land acquisition and therefore no impact on private assets or livelihoods are expected, and the activities supported by the Program won’t have any impact on natural habitats nor cultural resources.

Environmental System

19. The Program does not have explicit environmental management objectives. The ESSA confirms that the current system for managing the environmental aspects of the Program is reasonably covered by the country’s regulations and institutional capabilities and is consistent with the WBG’s PforR Policy and Directive. The results areas identified under the Program and the corresponding DLIs do not recommend activities and/or actions that will have significant adverse impacts on the environment that are sensitive, diverse, or unprecedented.

20. The program activities will not generate a significant increase in medical waste compared to the current situation. The general adequacy of the institutional and legal framework for medical waste management at the facility level was confirmed during the assessment. The MSPS establishes the policies and the decentralized authorities carry out the actions of inspection, surveillance and sanitary control (inspección, vigilancia y control sanitario, IVCS). The management of health care waste (HCW) has two instances, one within the health facilities (intramural) under the monitoring of the MSPS, and another one outside the IPS (extramural), under the supervision of the Ministry of Environment and Sustainable Development (Ministerio de Ambiente y Desarrollo Sostenible, MADS). At the sub-national level, the departmental, district and local health authorities are responsible for the IVCS function as well as for the management of intramural HCW. At an extramural level, the external management of the HCW is under the purview of the regional environmental authorities (Regional Autonomous Corporations, Corporations for Sustainable Development and Urban Environmental Authorities) in accordance with the legal provisions and policies of the MADS. Key issues identified by the Environmental System Assessment are not connected with any further capacity building and may be addressed through the continuous enforcement of the specific regulatory framework issued by the GoC. The relevant implementation of environmental actions is defined in the PAP.

Climate Mitigation and Adaptation Measures

21. Climate and disaster risk screening conducted for the Program confirmed that the risk of exposure to climate change is Moderate. Program activities could be affected by extreme precipitation and flooding, disturbing the access to facilities, damaging the health service infrastructure, and increasing the incidence of vector-borne diseases such as malaria and dengue. Recent work reported under the
Integrated National Adaptation Program (INAP) points to a gradual trend in Colombia of exposure to tropical vector diseases (malaria, in particular). Approximately 23 million and 13 million Colombians live in areas of endemic dengue and malaria transmission, respectively, and about 85 percent of Colombia’s territory presents suitable ecological, climate, and epidemiological characteristics for malaria transmission.

22. **Climate Adaptation and Mitigation Measures Supported by the Program.** Through its Results Areas, the Program seeks to improve the quality of health services as well as promote a more efficient system, including for uninsured populations (such as migrants). These would be critical in managing the health care delivery response to diseases exacerbated by the effects of climate change. DLI1 will incorporate the approval of the new resolution for certification of health care providers, including new requirements to comply with standards for climate change adaptation and disaster response, to prevent or reduce the effects of climate change on health facilities. These adaptation guidelines and standards will include specific measures to ensure facilities are able to deal with extreme heat events through effective insulation and shading, are equipped to respond to wildfires with axes, fire beaters as well as having ambulatory vehicles able to deal with these threats. The Program will support the approval of new parameters for IPS and EPS accreditation, including new requirements for construction, infrastructure, environmental and energy saving, among others. For example, where necessary facilities will be renovated or even relocated to reduce flood risk either from sea level rise, in coastal areas, as well as from flash and/or river flooding in inland and mountainous areas. The Program will implement further adaptation solutions to the climate challenge, as indicated by the Program intermediate indicators.

**Social System**

23. **The Program is expected to generate substantial social benefits,** particularly through its efforts to improve quality and efficiency in the provision of health services, as well as in advancing mechanisms to include uninsured migrants.

24. **Vulnerable populations have specific frameworks to reduce inequities that will be supported by program actions.** Ethnic groups and native people, as well as other vulnerable groups have spaces for consultation such as “Tables” and “Protocols” for a socio-cultural adaptation and inclusion of the intercultural approach, where they agree and establish standards of care that respect their ethnic and cultural identity, forms of social organization and linguistic characteristics. The GoC will also support the Indigenous System of Own Intercultural Health (SISPI), and the guidelines with directives and guidance for a socio-cultural adaptation and inclusion of the intercultural approach for indigenous, Afro-Colombian, Raizales, Palenquero and the Rom people’s communities.

25. **For migrants (including approximately 1.4 million Venezuelans) different strategies address their health and health care needs, depending on their status (PEP or Border Mobility Card (Tarjeta de Mobilidad Fronteriza, TMF), among others, including vaccination systems for children, birth care, initial emergency care, etc. In addition, the barriers that persist and that prevent their affiliation with the subsidized health regime for not complying with the requirements set forth in the System of Identification of Potential Beneficiaries of Social Programs (SISBEN) will be addressed through the Program.**

26. **Citizen Engagement.** There is a range of existing social participation and citizen engagement mechanisms in effect in the health sector. The Social Participation in Health Policy (PPSS), aims to
guarantee the right of citizens to be informed and have a voice in the decision-making of the sector that affects them, this is established by the health statutory law, in addition vulnerable populations have specific frameworks to reduce inequities and Ethnic groups and native peoples have spaces for consultation. Furthermore, there is in place the PQRSD, institutionalized across Government agencies. In the case of MSPS, the “Citizen Service” area oversees the webpage where a petition, claim, suggestion or complaint can be formulated (https://www.minsalud.gov.co/atencion/Paginas/Solicitudes-sugerencias-quejas-o-reclamos.aspx). The PQRSD is processed by the Citizen Assistance Group, in accordance with the guidelines established in Resolution 3687 of August 17, 2016. According to the type of petition, the deadlines are established between 10 and 30 days; to support this output, the Program includes an intermediate indicator for measuring the percentage of citizen consultations and claims submitted and solved on time.

27. Gender Violence. The Program will support interventions to strengthen capacities at local level to prevent, address and protect women against gender-based violence. The MSPS has classified gender violence as a public health event, since sexual violence is considered a medical emergency, access to medical services is guaranteed regardless of the insurance membership status of the person. The MSPS has designed the intersectoral route for sexual violence that includes intersectoral procedures with five components: detection; derivation or activation of the intersectoral protocol; delivery of health services when sexual violence has occurred; rehabilitation and social inclusion. The Program will promote and monitor the number of municipalities with this intersectoral protocol to respond to gender-based violence in place. In addition, the Program will contribute to strengthening the Integrated Gender Violence Information System (SIVIGE). The MSPS is also in charge of leading, guiding and providing technical assistance to different actors of the health sector to attend in the medical and the health related to the victims and feed the information system.

E. Financing

28. The PND establishes an investment plan for each economic sector that it covers. The total public resources assigned for the health sector objectives amount to COP$119,0 trillion (approximately US$35 billion) for the period 2019 – 2022, organized in five budgetary programs that involve current expenditures and investments. The expenditure framework for the PforR would finance only marginally current expenditures under the SGSSS’ health insurance (aseguramiento en salud) budget line related to the subsidized regime for three years, 2020 to 2022, to cover a portion of the expenditures related with the management of the subsidized insurance regime and a portion of personnel salaries to implement the proposed interventions. The Government amount associated with these expenditures is estimated at 10% of the total amount assigned to the subsidized regime (which corresponds to US$1,955 million; 99% of the expenditure framework), and 50% of the total amount assigned to MSPS’s salaries (which corresponds to US$28 million; 1% of the expenditure framework) of which IBRD financing is US$190 million, including US$40 million from the Global Concessional Financing Facility - GCFF, as shown in Table below. Although marginal from a monetary perspective, Bank financing will be linked to the achievement of results that will ensure that priority is given to key sector goals and that key government objectives such as articulated in the PND are met.

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3 SIVIGE was created to measure the situation of gender violence for different sectors using statistical and epidemiological data and how these can be inputs for public policy decision making.
## Program Financing

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