

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC4458

**Date ISDS Prepared/Updated:** 06-Aug-2013

**Date ISDS Approved/Disclosed:** 08-Aug-2013

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Colombia	<b>Project ID:</b>	P145782
<b>Project Name:</b>	Third Student Loan Support Project SOP Phase II (P145782)		
<b>Task Team Leader:</b>	Marcelo Becerra		
<b>Estimated Appraisal Date:</b>	30-Sep-2013	<b>Estimated Board Date:</b>	17-Dec-2013
<b>Managing Unit:</b>	LCSHE	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Tertiary education (100%)		
<b>Theme(s):</b>	Improving labor markets (10%), Education for the knowledge economy (90%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	1812.00	<b>Total Bank Financing:</b>	200.00
<b>Total Cofinancing:</b>		<b>Financing Gap:</b>	0.00
<b>Financing Source</b>			<b>Amount</b>
Borrower			1612.00
International Bank for Reconstruction and Development			200.00
Total			1812.00
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	Yes		

#### B. Project Objectives

The proposed Project Development Objective (PDO) is to increase coverage, graduation and equity in the higher education system, prioritizing quality higher education institutions.

#### C. Project Description

Concept Description

At the request of ICETEX, the proposed lending instrument is Investment Project Financing to

ensure ICETEX has sufficient cash, at a favorable interest rate and maturity provided through the Bank loan, to finance student loans provided through the ACCES program. The total Project amount of US\$1,812 million is composed of US\$200 million from the Bank and US\$1,612 million in counterpart funds from the Government and ICETEX. It is the second phase of a two phase Series of Projects (SOP) Loan: Phase 1 was carried out between March 2008 and June 2013 and close satisfactorily. The Program objective of the SOP is the same as the PDO. The Project would achieve its development objective through implementation of two components; the team would explore with the Government results based financing for Component 1.

Component 1. Increasing Coverage, Graduation and Equity of the Higher Education System, prioritizing quality higher education institutions. (Total: US\$ 1,805 million; Bank: US\$200 million; Government: US\$1,605 million estimated – to be confirmed). The objective of this component is to increase the coverage and graduation from HEIs, including for students from socio-economic disadvantaged background. It would finance loans through ICETEX's ACCES Program for students to pursue tertiary studies based on the revised allocation method which improves targeting on students from families from the lowest two levels of SISBEN III and places greater weight on accredited HEIs, and once the criteria are developed, on HEIs on a path to accreditation.

Component 2: Institutional Strengthening. (Total: US\$7 million; Bank: US\$0 million; Government: US\$7 million estimated – to be confirmed). The objective of this component would be to further strengthen capacity in ICETEX to manage the ACCES program sustainably and to improve the quality of HEIs and programs.

It would finance technical assistance to strengthen ICETEX's risk management, loan and portfolio administration and collection, information and management systems, and to carry out an impact evaluation of the Project.

It would also finance the development of quality standards which could put non-accredited HEIs on a path to accreditation, with clearly designed incentives and targets, and a monitoring and support program for non-accredited HEIs striving to meet these standards that would be jointly managed by MEN and ICETEX. An agreement will be reached between MEN and ICETEX to institutionalize the coordination and division of responsibilities. It would also continue to support the alliances with HEIs, which encourage increased support and services for low-income students that were forged under Phase 1. They would be revised or amended to explicitly include additional efficiency and quality criteria.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Colombia is a large and diverse country, home to many ethnic and indigenous groups. According to the latest report by DANE (National Statistics Department), there were 87 indigenous groups in Colombia as of 2005, comprising 3.3% of the total Colombian population. Afro-Colombians make up around 10.3% of the population. The average age for the indigenous and afro-Colombian population is lower than the national average; the distribution is especially skewed towards the bottom of the pyramid, thus making the indigenous and afro-Colombian school and college-aged cohorts larger relative to the rest of the age groups. The school attendance levels for these two groups are much lower than the national average: In 2005, whereas nationwide school attendance for 2-17 year olds was 77.8%, the figure was 8.8% and 7.1% for indigenous peoples and afro-Colombians respectively. Attendance is equally dismal for 18-24 year olds, with only 7% of the indigenous

population and 3.8% of afro-Colombians currently attending school or higher education institutions, compared to 27.1% nationwide.

### **E. Borrowers Institutional Capacity for Safeguard Policies**

ICETEX successfully implemented the Colombia - Scaling up Student Loans to Promote Equitable Access Project: Indigenous Peoples Plan (Política y Estrategias para la Atención de la Población Indígena y Afrodescendientes) from 2008 to 2013 under the Second Student Loan Support Project APL Phase I (P105164). It thus has proven capacity for Safeguards Policy.

ICETEX administers a series of Fondos Nación (National Funds). Two of these, the Fondo Álvaro Ulcué Chucué and the Fondo Especial de Créditos Educativos de Comunidades Negras (Special Education Loan Fund for Black Communities) target the indigenous and afro-Colombian communities, respectively. Both funds have differentiated selection criteria for beneficiaries that set them apart from the rest of ICETEX credit lines. They also feature special debt forgiveness and subsidy programs, aiming to tailor to the needs of the indigenous and afro-Colombian students. The two funds are under the management and supervision of the Billing and Payments Vice-Presidency, which also administers the rest of the ICETEX portfolio.

### **F. Environmental and Social Safeguards Specialists on the Team**

Carlos Alberto Molina Prieto (LCSSO)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	No	This policy is not triggered as the nature and scope of the Project activities are not expected to generate adverse environmental impacts.
Natural Habitats OP/BP 4.04	No	This policy is not triggered since no impact is expected on natural habitats.
Forests OP/BP 4.36	No	This policy is not triggered given that the Project will not finance activities that affect forests.
Pest Management OP 4.09	No	This policy is not triggered because the Project will not finance the purchase or use of pesticides.
Physical Cultural Resources OP/ BP 4.11	No	The policy is not triggered because there are no Project activities that will impact the quality or management of physical cultural resources as defined under the policy.
Indigenous Peoples OP/BP 4.10	Yes	The policy is triggered because indigenous peoples (and afro-Colombians) are present in the Project area and could benefit from improved targeting systems for higher education financing. The current social assessment and its recommendations will be updated to identify whether they are being effective and to incorporate lessons learned from Phase I, in

		<p>order to ensure that the benefits of the Project reach the indigenous and afro-Colombian populations.</p> <p>The social assessment will analyze the performance of the existing IPP and the program in reaching indigenous peoples and afro-Colombians and will identify measures to improve access and outcomes for indigenous peoples and afro-Colombians.</p> <p>The social assessment will additionally include a section on gender issues, focusing on the differences in (i) barriers to access, retention and completion and (ii) life paths after graduation or dropping out.</p> <p>Based on the social assessment, an IPP will be prepared, which will focus on further strengthening the borrower's capacity where it is necessary and laying out the measures and policies that should be expanded or discontinued, ensuring that the ICETEX programs successfully tailor to the needs of indigenous and afro-Colombian students. Given the successful increase in access to ICETEX loans for indigenous and afro-Colombian students in Phase I (their numbers increased from 1.9% of the loans in 2008 to 9.7% in 2012), the IPP will pay particular attention to the life paths of students after receiving the loan, specifically the ability of student loan recipients to get jobs and their possibly increased vulnerability due to the debt burden.</p> <p>The IPP will be consulted with relevant national indigenous and afro-Colombian organizations and will incorporate their feedback and recommendations accordingly and in line with the Project's scope. The IPP will be disclosed prior to appraisal.</p>
Involuntary Resettlement OP/BP 4.12	No	This policy is not triggered because the Project activities will not require the involuntary taking of land that would result in the impacts covered under OP 4.12.
Safety of Dams OP/BP 4.37	No	The policy is not triggered because the Project will not support the construction or

		rehabilitation of dams nor will it support investments which rely on the operation of existing dams.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered since the Project will not affect any international waterways as defined under the policy.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered because the Project will not affect disputed areas as defined under the policy.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 27-Sep-2013

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The IPP Colombia - Scaling up Student Loans to Promote Equitable Access Project: Indigenous Peoples Plan: Política y Estrategias para la Atención de la Población Indígena y Afrodescendientes will be updated between now and September 27, 2013.

### IV. APPROVALS

Task Team Leader:	Name: Marcelo Becerra	
<b>Approved By:</b>		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Raja Bentaouet Kattan (SM)	Date: 08-Aug-2013

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.