



1. Project Data:		Date Posted : 08/09/2001	
PROJ ID: P046031		Appraisal	Actual
Project Name : Magdalena Medio Regional Development Project	Project Costs (US\$M)	6.25	11.88
Country: Colombia	Loan/Credit (US\$M)	5.0	5.0
Sector(s): Board: SDV - Other social services (64%), General education sector (10%), Health (10%), Roads and highways (10%), Law and justice (6%)	Cofinancing (US\$M)	1.25	6.88
L/C Number: L4371; LP313			
	Board Approval (FY)		98
Partners involved : Govt; Ecopetrol; NGOs & local church diocese; UNDP	Closing Date	12/31/2000	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
S. Ramachandran	John H. Johnson	Ruben Lamdany	OEDCR
2. Project Objectives and Components			
a. Objectives			
<p>This Learning & Innovation Loan (LIL) was the second phase of the Program for Development & Peace of the Magdalena Medio Region (PDPMM) that started in 1996 to promote community based investment sub-projects in a poor region where guerillas and paramilitary groups fought frequently and local governments are viewed with suspicion. The project sought ways to make NGOs and other trusted groups work effectively together in designing and implementing multi-sectoral development programs. The LIL allowed alternatives to be tried, and the lessons to be quickly incorporated. The national oil company (Ecopetrol) headquarters was in the area which straddled road, river and rail links; so it funded the PDPMM along with UNDP and the Central Government's Department of Planning (DNP).</p> <p>The LIL's objective was to develop the operational capacity of the Consortium (of an NGO and the Catholic Church's local Diocese), citizens' network and other partners to work together on sub-projects that reduced poverty and increase peaceful coexistence in the area. The 2 year LIL was expected to lead to a 10 year community led, multisectoral development program that the Bank was expected to support through an Adaptable Programmatic Loan.</p>			
b. Components			
<p>The project had 2 components: (1) US\$4.8 million to build the capacity of the Consortium to design and implement local development projects, and (2) \$6.7m to finance sub-projects (each less than \$50,000 equivalent) in such areas as education, health road maintenance & environment. Sub-components included preparing a regional strategy for secondary education, and technical assistance to transform citizen initiatives in health, road maintenance etc. into financeable sub-projects.</p> <p>The DNP was the borrower, but the Consortium was the implementing agency. The project was overseen by two committees: (1) the National Technical Committee (chaired by a DNP official) met every 6 months to approve semi-annual plans and review audit reports; and (2) National Consultative Committee with a broader membership met quarterly to advise on the PDPMM policies. The UNDP, with experience in funding development-peace initiatives in Colombia since the 1980s, had a local representative and financed selected activities with \$ 400,000 in parallel.</p>			
c. Comments on Project Cost, Financing and Dates			
<p>The cost of building the Consortium's capacity was large relative to the sub-projects at appraisal (\$3.1m), even more was spent (US\$4.8m). This investment in social capital, however, could ensure the success of current and future sub-projects.</p>			
3. Achievement of Relevant Objectives:			
<p>Although the project did not increase peace (fighting in the area worsened), two external evaluations (Feb. & Nov.</p>			

2000) confirmed that the project improved social capital by creating a network of over 8,000 local citizens. The Consortium effectively used \$7.0m in 67 sub-projects (20 rural production, including agro-industrial, 18 urban production, 18 fishing and environment, 8 marketing & 7 others) spread over several districts.

4. Significant Outcomes/Impacts:

The project taught all the major participants effective ways to co-operate for development. The Consortium learnt to become effective through doing: it learnt to decentralize its decision making and when to call on outside technical help. It also oversaw projects of increasing size and complexity.

The project also influenced the Government's approach to development in such regions, and 9 similar projects have started in other parts of Colombia.

5. Significant Shortcomings (including non-compliance with safeguard policies):

There were large cost over-runs, both in the Bank and the country, but this was probably justified. Some of the Bank costs were to prepare an investment project that was superfluous when the LIL became available (1997) as a Bank instrument. The cost over-runs in the country were because it took more time and effort to get things (M&E) organized and to take on larger, more complex sub-projects spanning several municipalities.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Highly Satisfactory	Highly Satisfactory	
Institutional Dev.:	Substantial	Substantial	
Sustainability:	Likely	Likely	
Bank Performance:	Highly Satisfactory	Highly Satisfactory	
Borrower Perf.:	Highly Satisfactory	Highly Satisfactory	
Quality of ICR:		Exemplary	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. Community based participatory approach works well even in a conflict-prone area when the change agent (the Consortium) is trusted by all sides.
2. Individual and community participation in decision making requires a well specified mechanism (here, the nucleus of the citizens' network).
3. Any model specifically tailored to local circumstances cannot be copied or "scaled up" easily. Consequently, M&E must be built in carefully each time.
4. Despite M&E, external evaluation is useful because it provides a structured way to re-assess developments and lessons.

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

The ICR is of excellent quality and was based on a workshop held 6 months earlier where the different participants discussed what each had learned (attached to the ICR). The ICR describes the complex arrangements clearly, the problems that were encountered and how they were handled.