1. Country and Sector Background

1. The Government of Colombia (GOC) has achieved considerable success in the creation and strengthening of its whole-of-government monitoring and evaluation (M&E) system: National System of Evaluation of Public Sector Performance (SINERGIA). It is one of the strongest M&E systems in Latin America, in terms of the range of M&E activities it undertakes and its utilization. Much of this progress has been achieved since 2002, following the election of President Álvaro Uribe. The President of Colombia uses information from SINERGIA to enhance political control of the executive branch and to support social accountability of the government to citizens and to the Congress. The President of Colombia uses the information produced by the M&E system in his monthly “management control” meetings with each minister and in his weekly town hall meetings (Consejos Comunitarios) in different municipalities around the country. The M&E system also includes an ambitious agenda of impact evaluations. A growing number of these evaluations will be completed in the next two to three years and are already starting to be utilized as an input into government decision-making.

2. The performance of the state is critical given the huge challenges that the country still faces in terms of poverty reduction and reducing inequality. Consequently, it is critical that public sector activities are guided by information (basic data, indicators, evaluations, etc)
allowing that program design, policy formulation and budgetary allocations are increasingly based on real evidence and less on unfounded beliefs of what works or does not and political pressures. The M&E system in Colombia has made progress in several fronts, but has to be to be streamlined and institutionalized such that it is transformed in an effective tool for evidence based policy making.

3. The government’s policy statement, National Council for Economic and Social Policy or CONPES, (CONPES 3294) provides a diagnostic of the M&E situation in Colombia. The principal challenges it identifies are: (i) lack of a single, clear conceptual framework; (ii) the need to clarify the roles and responsibilities of the ministries and agencies which support the government’s M&E system; (iii) absence of clear links between planning, budgeting and evaluation; and (iv) severe problems with the availability, frequency, and quality of data.

4. The extent and nature of the challenges facing M&E in Colombia have also investigated by the Bank in its own recent diagnosis of the central M&E system (Annex 1 and the full diagnostic in Annex 14). The diagnosis identifies a number of specific challenges.

- There is very limited information on actual central government spending at the sub-national level—data on budget execution by individual departments and municipalities is lacking. This makes it impossible to compare government outputs of goods and services with the amounts spent on them, and it is an impediment to better budgeting and planning. The absence of this sub-national information is reportedly a source of considerable frustration for the President in his direct oversight of government performance. In addition investment projects are not formulated in a way which enables meaningful M&E and project execution; these two issues (the lack of information on sub-national spending and also lack of methodologies for the incorporation and generation of quality of information on federal spending by region at the project level) are two sides of the same coin. These issues are addressed in Component 1.

- A weak institutional and legal framework for ensuring consolidation and sustainability of M&E efforts at the central level (e.g., the Directorate for Evaluation of Public Policy (DEPP) unit at the Department of National Planning (DNP), which manages SINERGIA, needs to have more clearly defined functions and responsibilities. The Inter-Sectoral Committee for Evaluation and Management for Results (IEC) chaired by DNP and MHCP needs to have extended functions to be able to define and manage the evaluation agenda, and use the results for budget planning and improved program performance among others. Finally, a still weak utilization of results of monitoring and evaluation results for budget planning decisions and for improvements of programs. These issues are addressed in Component 2.

- The M&E systems at sub-national level are weak or non-existent, making it hard for local governments, local communities, controlling agencies, local media, and the public, to follow up commitments and targets made in the local development plans, and to influence the budget process during the execution of the development plan. Also, the absence of good M&E systems at the local level makes it very costly for the central government to

1 Inter Institutional Evaluation Committee right now only Hacienda and DNP have permanent memberships (9 members), it is expected that through this project more stakeholders will become members.
obtain quality and timely data on key social services that have been decentralized to the territorial entities. Also, there is a disconnection between the methodologies and concepts used at the central level and the sub national level for the use of the information. These issues are addressed in Component 3.

- The information feeding the M&E system at the national (and local) levels is of poor quality due to lack of unified standards and protocols to produce, audit and disseminate information, and there is considerable duplication of information with different bodies requesting the same or similar information from government agencies. Finally, the Inter-Sectoral Committee for Information Policy and Management (COINFO), which has been created to address many of these issues, is still institutionally weak. These issues are addressed in Component 4.

5. The main challenge now facing the government’s M&E system is its full institutionalization within the government. This challenge entails not only the creation of a system that provides high quality information, but also a system where information is used intensively in supporting sound governance, and where the system is fully sustainable — in other words, a system which is likely to survive changes in government and to continue to be relied upon by future administrations. This definition of a “successful” M&E system provides the yardstick against which the government’s M&E system can be compared. It also provides the goal towards which options for the future development of the system, and for World Bank support, should be headed. The full institutionalization of the government’s M&E system is intended to be substantially advanced by the end of President Uribe’s second term in office. The proposed project has four components and its implementation has been designed for a five-year period.

2. Rationale for Bank Involvement

6. This full institutionalization of the government’s M&E system is required for improving the effectiveness of public spending in the country in order to meet its economic and social objectives. With the reelection of President Uribe, the opportunity to consolidate previous gains achieved by the government M&E work now exists. In addition, the greater awareness of international experience with performance budgeting has led to a greater desire by the DNP and the Ministry of Finance and Public Credit (MHCP) to pursue performance budgeting in Colombia. Finally, the project provides the opportunity for a systemic, whole-of-government approach to strengthening M&E in Colombia, whereas past donor support may have suffered from being segmented and uncoordinated.

7. The Bank is well-positioned to assist the government in its objective. The project builds upon previous M&E activities of the Bank and other donor projects in Colombia. These activities have provided the Bank with thorough knowledge and strong expertise regarding M&E in Colombia. As a result, the Bank has established a high level of credibility with the GOC. Successful Bank M&E experiences include the promotion of greater transparency and social accountability through periodic evaluations and greater participatory oversight by citizens in the Programmatic Labor Reform and Social Structural Adjustment Loan (PLaRSSAL I-II and LaRSDPL III) series of operations (Loans No. 7193-CO; 7259-CO; 7400-CO); the results and use of the impact evaluations of the social assistance network
(RAS) (Loans 7050-CO; 7017-CO; 7337-CO); the strengthening of public expenditure management promoted through the series of the Public Financial Management Project (PFMP; Loans No. 3669-CO; 7049-CO); the strengthening of sectoral M&E through the Social Safety Net Project (Loan No. 7337-CO); and the support for improved evaluation and quality of information in selected ministries through the Technical Assistance Loan (Loan No. 7260-CO). Annexes 2 and 13 present a more detailed description.

8. A distinguishing feature of Colombia is the support of a number of donors in crucial aspects of M&E. This has enabled the GOC to draw on multiple sources of M&E experience and to adapt them to local conditions. Table 1 presents a summary of the donor interventions (Annex 2). IADB and the Bank have funded mainly impact evaluations and financial management. GTZ has provided technical assistance to strengthen institutional capacity in the most vulnerable municipalities in the country. USAID-Cassals have provided technical assistance and funding in the design and development of selected M&E systems at the sub-national level.

<table>
<thead>
<tr>
<th>Bilateral or Multilateral Development Agency</th>
<th>Interventions²</th>
<th>Main areas of support</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>PLaRSSALs and RAS Loans; MAFP Loans; Social Safety Net Project Loan; TAL; Peace and Development Project</td>
<td>Supported the government M&amp;E system in the following areas: (i) impact evaluations; (ii) greater social accountability; (iii) development of information and technology systems for financial management; (iv) modernization of the budgeting process</td>
</tr>
<tr>
<td>Inter-American Development Bank (IADB)</td>
<td>RAS Loans and Program to Implement the External Pillar of the Medium-Term Action Plan for Development Effectiveness (PRODEV)</td>
<td>The IADB has provided jointly with the World Bank, financial and technical assistance to the government M&amp;E system in the areas of impact evaluation and financial management.</td>
</tr>
<tr>
<td>United States Agency for International Development (USAID)</td>
<td>Program Strengthening Democracy</td>
<td>USAID program works with local governments at the municipal level to strengthen financial management and social participation.</td>
</tr>
<tr>
<td>German Agency for Technical Cooperation (GTZ)</td>
<td>Program Supporting Decentralization and Communal Development for Peace (PRODESPAZ) and Cooperación entre Estado y Sociedad Civil para el Desarrollo de la Paz (CERCAPAZ)³</td>
<td>GTZ “Decentralization and communal development” program provides technical assistance to sub-national governments with limited institutional capacity in the areas of financial management and governance.</td>
</tr>
</tbody>
</table>

² The list does not pretend to be exhaustive. Annex 2 presents a more comprehensive list of Bank projects.
³ In 2007, PRODESPAZ will be merged into the larger CERCAPAZ program.
<table>
<thead>
<tr>
<th>Bilateral or Multilateral Development Agency</th>
<th>Interventions²</th>
<th>Main areas of support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan International Cooperation Agency (JICA)</td>
<td>The Japan Policy and Human Resources Development Fund (PHRD) and local program</td>
<td>Preparation of Bank projects and training for local governance in small municipalities.</td>
</tr>
</tbody>
</table>

9. During the preparation of this operation, the World Bank has closely coordinated with other development agencies, including IADB, GTZ, USAID, and UNDP, so as to explore possible collaboration opportunities and avoid the duplication of efforts. The Bank has had a good working relationship on information and M&E issues with other development agencies. In fact, in some instances, such as the financing of impact evaluations, the projects have been financed jointly by the IADB and the World Bank. In the case of the bilateral development agencies, most of the work done by GTZ and by USAID has been at the sub-national level. Both the GTZ and USAID programs in Colombia have focused on improving transparency, accountability and building financial and management capacity at the local levels. Given that this operation includes a sub-national component, the close coordination with all development agencies will ensure that any synergies between this project and ongoing and future projects will be exploited. As an example of this close collaboration, GTZ staff joined a preparation mission of the World Bank M&E&I project. The GTZ team participated in various meetings with World Bank team members, USAID, officials from DNP and other ministries, as well as officials from Medellín and Pasto. Annex 2 presents a more detailed description of the results of this collaboration effort.

3. Objectives

10. This operation is consistent with the three pillars outlined in the Bank’s Country Assistance Strategy (CAS) for Colombia, approved in December 2002, and the CAS Progress Report, presented to the Bank’s Board in September 2005, which are: (i) economic growth; (ii) building quality government; and (iii) sharing the fruits of growth. In addition, the CAS Progress Report, presented to the Bank’s Board in September 2005, includes at the request of the GOC a new pillar IV for “Building the Foundations of Peace.” As a result of the full institutionalization of the government’s M&E system, which includes improved and higher utilization of information and M&E systems, it is expected that this operation will contribute to the CAS objectives by: (i) building quality government though a greater performance orientation, leading to more efficient and effective use of the country’s scarce resources and increased government accountability; and (ii) sharing the fruits of growth by providing quality information for improving the distribution of spending. The proposed project is linked to this pillar since the improved information and M&E system will provide systematic information which will enhance program targeting towards poor households and geographical areas.

11. The project development objective is that the institutionalization of the M&E system will provide the right amount and quality of information which will be used for program and policy design by the IEC, social accountability by Presidencia and investment planning by DNP.
4. Description

12. **The lending instrument is a Specific Investment Loan (SIL).** A SIL is the most appropriate lending instrument because it builds upon the World Bank’s knowledge and activities on M&E. The SIL will help the GOC to achieve the needed full institutionalization of the government’s M&E system within President Uribe’s second term in office. Both the GOC and the World Bank are aware of the challenges involved in the full institutionalization of the M&E system but the GOC is highly committed to addressing them in the medium- to long-term (5 year) program supported by this project. The SIL will provide the GOC with the needed sustained technical assistance from the World Bank to accompany the implementation of the proposed program. The program is detailed in Section B.3 and Annex 4.

13. The project will support the Presidencia, DNP, MHCP, and pilot local governments by providing an institutionalized and consolidated M&E system which relies on regular, consistent, and reliable information to be used to track spending, the outputs of such spending, and targets of the national and local development plans, and to improve quality of spending by improved budget planning. In addition, and as the quality and reliability of information improves under the project through the introduction and mainstreaming of standards for information production, processing, audits, and dissemination, the M&E system information is more reliable and citizens and civil organizations can exert better quality social accountability. The proposed project has four main components and its implementation has been designed for five years. The estimated project cost is in Annex 5.

**Component 1 — Institutional strengthening for M&E of public investment projects at national and sub national level.**

*Expected Outcome: DNP has a high level of commitment to produce high quality reliable and timely information on national spending made in by regions and to use this information in project formulation processes.*

14. **Objective:** To support the Government of Colombia in improving and strengthening the institutional capacity for the evaluation and monitoring of public investment, by complementing its wider national strategy for public investment through a) enhancing existing information systems for the formulation of projects at the national and regional level by incorporating systematically in these existing systems regional data b) the design of methodologies, guidelines, pilots and training for improving project formulation in line with M&E and project execution needs.

15. **Issues:** The Government of Colombia needs to strengthen its capacity to monitor public investment at the national and regional level and use this information efficiently for the improved formulation of investment projects. Currently DNP does not have enough information, in terms of timeliness and quality, to monitor investment. There is also a lack of clear methodologies and guidelines for the development of investment projects at both the national and regional level in line with M&E and project execution needs. The situation is
more critical at the regional level, where the limitation in terms of information and the definition of procedures is even more deficient.

16. Project Component 1: This project component will help the GOC address these issues by supporting: (i) the technical and institutional capacity in DNP for the systematic collection and monitoring of spending on the regions in DNP; (ii) the design of methodologies and guidelines for policy formulation oriented to project execution and M&E needs at the national and regional levels.

17. This component includes the following sub-components which are described in more detail in Annex 4:

Subcomponent 1.1. Institutional strengthening at the central level for the collection and analysis of national and regional expenditure information. The subcomponent will support:

- Design of mechanisms that improves quality information in monitoring public investment
- Design of methodologies and guidelines for investment program formulation oriented to project execution at the national and regional levels and with monitoring and evaluation tool built in the design from the start.
- Pilots for ensuring that projects at the formulation stage have input, output and outcome indicators which are consistent with M&E needs
- Training and capacity building in order to improve project design process.

Subcomponent 1.2. Include regional module in existing public investment information systems.

Component 2 — Consolidate and expand the use of the national M&E system

Expected Outcome: Presidencia, DNP and Hacienda have a high level of commitment and priority for the consolidation of the M&E system and for the use of the information it produces

18. Objective: The objective of this component is to help the GOC institutionalize the central government M&E system and promote a greater use of monitoring information and evaluation findings for improving performance budgeting and management.

19. Issues: SINERGIA is essentially a stove-piped M&E system within DNP—i.e., a stand-alone system largely separate from the core work of DNP which comprises the investment budget, the national plan, and assessments of municipal performance. It is used intensively by the President to support social accountability, but has not been used systematically by the remainder of DNP, MHCP, or sectoral ministries/agencies to support performance budgeting and planning decision-making.

20. Project component 2: This project component will help the GOC address these issues by supporting: (i) the close involvement of key central ministries and sectoral entities in evaluation, planning, and oversight; (ii) the elaboration of decrees and regulations to formalize roles; (iii) the establishment of an effective technical secretariat for the system; (iv)
the funding of the central M&E plan; and (v) the improvement of the quality and relevance of the central systems through the development of tools and standards and capacity strengthening.

21. This component is split into two subcomponents as follows, more details are provided in Annex 4:

**Subcomponent 2.1.** Strengthen institutional arrangements for the government’s M&E system, define and formalize clear roles and responsibilities for its actors, in particular the IEC, and ensure the capacity of its technical secretariat (DEPP). The subcomponent will support:

- The definition of clear structure, roles, and responsibilities for the system, and in particular, the IEC.
- The effective functioning of the IEC and its technical secretariat (DEPP).
- The funding of the evaluation agenda defined by the IEC.
- The regular monitoring and evaluation of SINERGIA’s performance as a whole of government M&E system, reported to Congress.

**Subcomponent 2.2.** This component aims at increasing the utilization of monitoring and evaluation findings in the planning and budget processes. The subcomponent will support:

- The definition of a range of techniques and tools, and quality standards for SINERGIA’s activities.
- The strengthening of the capacity of all members of SINERGIA to undertake good-quality M&E and to make good use of M&E findings.
- The development of a strategy to establish an agreed programmatic structure for the national plan and budget, and its implementation on a pilot basis.
- This subcomponent will benefit from the activities under Component 3 (on sub-national governments) which will help improve the quality of information which they provide to ministries and agencies and will promote the utilization of M&E information for the planning and management activities of sub-national government. This subcomponent will also benefit from the activities under Component 4 (on information) in terms of the expected improvements in data quality and reliability.

**Component 3 — Support the development of local and regional M&E systems**

*Expected Outcomes: a) Pilot municipalities and one department have shown their dedication and prioritization of the consolidation of the M&E system and for the use of the information it produces b) DDTS and DEPP have demonstrated commitment to develop successful M&E systems at the sub national levels.*
22. Objective: The objective of this component is to develop and strengthen local and regional M&E capacity.

23. Issues: In Colombia fiscal decentralization is based on a high degree of inter-government expenditure coordination, hence the development of good sub national and local M&E systems is critical. Currently local and regional M&E systems remain much less developed than at the central level. There are a few exceptions however such as the municipalities of Pasto, Medellín and Tocancipa who have already begun to use M&E information to follow up local development plans, improve budget allocation and management, and improve accountability by providing more and better information to civil organizations, NGOs and the public at large. These cities serve as important cases which can inform and support the further development of performance budgeting and M&E systems at the local level. The state of public administration capacity in Colombia is very heterogeneous however so the DNP, keenly aware of the different levels at which regions find themselves in terms of public administration capacity is seeking to advance on various fronts to develop and strengthen local and regional M&E capacity for regions which face very low levels of capacity. In this context, the DNP is working with Presidencia in order to design and undertake a strategy spanning the next four years working with the Department of Chocó which includes among other issues the improvement of public management systems.

24. Project component 3: This project component will help the GOC address the consolidation of key local advances by: (i) strengthening the M&E systems in Pasto and Medellin and their use for performance budgeting decisions at the municipal level; (ii) setting the basis for replication of these pilots in other municipalities; (iii) development of basic management tools in Chocó and (iv) harmonization of M&E concepts between the central and local government.

25. This component has two subcomponents; one dealing with actions at the local and regional level and the second one dealing with actions at the central level and taking care of institutionalization for coordination across levels of government. These subcomponents are described in detail in Annex 4:

**Subcomponent 3.1.** Develop and consolidate the M&E municipal pilot systems in Medellín and Pasto and use them for planning, budgeting, accountability, and social control; and identify conditions for their expansion to other municipalities. This subcomponent will support:

- Consolidation of Pasto and Medellín M&E experiences.
- Development of experiences in one additional departmental government, including two prioritized municipalities within it.
- Basic capacity building for transparency and accountability, including improvement of administrative procedures, procurement processes and information sharing, along with the identification of required legal and operative adjustments in Chocó.
• Development of strategies to foster citizen’s participation on public decision making in Chocó.

**Subcomponent 3.3** The harmonization of technical M&E concepts between the national (central sectors, ministries and agencies), and the municipal M&E systems for increased coordination and utilization of M&E information. This subcomponent will support:

• Activities for the implementation and dissemination of standards and common sets of indicators between national and sub-national governments, and timely reporting of information needed by different government levels.

**Component 4 — Establish the mechanisms to improve quality and relevance of public information**

*Expected Outcome: The government is committed to produce quality and relevant public information.*

26. Objective: The objective of this component is to improve the quality of the public sector information flow process —generation, use, distribution, and storage— by strengthening institutional, legal and regulatory frameworks, and technical areas.

27. Issues: Despite progress made in terms of e-Government and institutional and regulatory frameworks for ICT, the quality of information remains inadequate for the M&E of the public sector. This is partly because of unclear institutional roles vis-à-vis information, as well as inadequate harmonization and coordination.

28. Project component 4: This project component will help the GOC address these issues by supporting (i) the improvement of the institutional and regulatory frameworks, which includes the strengthening of the key actors of the information process; (ii) the implementation of strategies and methodologies to modernize the information quality environment; (iii) the systematic implementation of external audits and standards for the information process.

29. This component is split into two subcomponents, more details are provided in Annex 4:

**Subcomponent 4.1.** Modernization and strengthening of the institutional, legal, and regulatory frameworks of the information-flow process. The subcomponent will support:

• At the legal and regulatory level, the definition and strengthening of the existing legal and regulatory frameworks to support the activities and strategies for the information-flow.

• At the institutional level: (i) Support the development of strategies and implementation of tools and activities aimed at improving the quality of information; (ii) strengthen the institutional and organizational structure of COINFO and (iii) establish the institutional coordination role for ICT in the sectors.
Subcomponent 4.2. Modernization and integration of the information-flow’s technical aspects, systems, and delivery channels, by setting common standards in the information process. This subcomponent will support:

- GOC in the implementation of standards in the information process;
- Assessment and evaluation of the existing standards and identify others, if any, that would be necessary to support the project.

5. Lessons Learned from Past Operations in the Country/Sector

30. The following main lessons learned from previous experience in Bank projects have been considered in the preparation of the proposed project:

a. **Strong and sustained dialogue between the GOC and the Bank** through joint high-quality sector work and loan operations has been invaluable for past and current operations. This project continues this practice by building on the ongoing dialogue around the analytical work by the Bank on the diagnostic evaluation of the SINERGIA system and a number of projects with M&E activities.

b. **The Bank projects have focused on outputs and outcomes**, rather than inputs and processes, which facilitates monitoring and implementation follow-up by both the GOC and the Bank. Also, focusing on key project outcomes forces the government and the Bank to clearly identify the expected results of the project.

c. Through the operational experience from sector loans with M&E activities, **the GOC has learned the importance of staying focused on monitoring outputs progress** over a longer time period in a coordinated, formal, and systematic way. This project seeks to take advantage of this experience by building on the advances made on the M&E activities of these loans to achieve a credible and reliable unified government M&E system.

d. Finally, the experience with M&E systems in Colombia is that they require **continued and strong government commitment** for the systems to work and be used. In Colombia the main user and promoter of the M&E system has been the President himself who uses the SIGOB sub-system of SINERGIA to inform the public about the government’s performance vis-à-vis the national development plan targets.

6. Financing

<table>
<thead>
<tr>
<th>Project Financing Data</th>
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</thead>
<tbody>
<tr>
<td>[X] Loan  [ ] Credit  [ ] Grant  [ ] Guarantee  [ ] Other:</td>
</tr>
<tr>
<td>For Loans/Credits/Others (US$m.): 7.0</td>
</tr>
<tr>
<td>Total Bank financing (US$m.): 10.0</td>
</tr>
<tr>
<td>Proposed terms: TBD</td>
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<table>
<thead>
<tr>
<th>Financing Plan (US$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source</strong></td>
</tr>
<tr>
<td>BORROWER</td>
</tr>
<tr>
<td>INTERNATIONAL BANK FOR RECONSTRUCTION AND</td>
</tr>
</tbody>
</table>
7. Implementation

31. The four components will be implemented by DNP. The Director of DNP decided not to create special committees for the technical and administrative management of the project. Instead, the Director proposed that the Bank use the structure of DNP to manage the project. The Director and Deputy Director of DNP indicated that the DNP experience with committees for specific projects has not been successful because they do not permeate within the structure of DNP. The Director of DNP delegated the coordination of the project to the Deputy Director of DNP who coordinates the work across units within DNP. The Deputy Director of DNP will be in charge of the coordination of the entire project. The technical secretariat for this coordination will be DEPP. Component 1 will be executed by the DIFP and DEPP. Component 2 will be jointly executed by DEPP with the IEC. Component 3 will be jointly executed by DEPP and DDTS. Component 4 will be executed by COINFO with strong support from DEPP--DNP and from DANE.

32. The procurement and financial management assessment carried out in November 2006 and more recently in October 2007 indicated that DNP has the adequate capacity to directly administer and execute the project (Annex 7 and 8). To this end, a Project Implementation Team (PIT) will be conformed with existing DNP staff who possess the required experience to carry out the work assigned. The PIT will be responsible for the coordination, administration, and execution of funds for the project loan, in collaboration with the various DNP units, through the General Secretariat it will also be assigned coordination responsibilities in order to ensure that all administrative, financial, accounting, and procurement management functions, among others, are performed satisfactorily, in accordance with the contractual obligations set forth in the loan agreement. The PIT will be composed of one project coordinator, one financial management specialist, one procurement specialist, one legal adviser, and one administrative assistant. With the exception of one consultant for financial management issues and one consultant for procurement issues, all other PIT staff members will already exist within DNP. It is important to note that a significant by product of this loan will be the development of international project management capacity in DNP. To date DNP has never within its own structure directly administered a project, the project would be the first and hence would significantly contribute to DNP capacity. Annex 6 presents a more detailed description.

33. The Procurement Assessment in Annex 8 also indicates the need to add at least one consultant with no less than 5 years of experience in Bank-funded procurement. The corrective measure agreed is to hire a consultant on a full-time basis for most of the life of the project with the required skills and experience in procurement of civil works, goods, and services under Bank procurement and consultant guidelines. A procurement seminar was conducted in October 2007 for DNP staff that are involved in the procurement of the project. The Financial Assessment in Annex 7 indicates that actions have already being discussed with DNP in the country systems to minimize financial management risks.
8. Sustainability

34. There are four factors underlying the project’s sustainability. These are: (i) a high government commitment to institutionalize SINERGIA in this administration as indicated by the project design; (ii) project ownership by key M&E stakeholders; such as DNP, MHCP, Presidencia, and sub-national governments, as indicated in the project design; (iii) the high priority given to information, M&E, and accountability in the strategic document Visión 2019; and (iv) resources committed in the Medium Term Expenditure Framework (MTEF) for the full institutionalization of the government’s M&E system.

9. Safeguard Policies (including public consultation)

35. None of the actions considered in this intervention will trigger any of the environmental or social safeguard policies as listed in Table 3 below and in Annex 10. The safeguard screening category of the project is (S1, S2, S3, SF). The environmental screening category of the project is C (Annex 10).

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[ ]</td>
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<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
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<td>Pest Management (OP 4.09)</td>
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<td>Physical Cultural Resources (OP/BP 4.11)</td>
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<td>Involuntary Resettlement (OP/BP 4.12)</td>
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<td>Indigenous Peoples (OP/BP 4.10)</td>
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<td>Forests (OP/BP 4.36)</td>
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<td>Safety of Dams (OP/BP 4.37)</td>
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<tr>
<td>Projects in Disputed Areas (OP/BP 7.60)*</td>
<td>[ ]</td>
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</tr>
<tr>
<td>Projects on International Waterways (OP/BP 7.50)</td>
<td>[ ]</td>
<td>[X]</td>
</tr>
</tbody>
</table>

List of Factual Technical Documents

A. Project Implementation Plan

Draft Procurement Plan
Operations Manual

B. Bank Staff Assessments

Financial Management Assessment
Procurement Capacity Assessment

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas
C. Other

Project Concept Note
Project Appraisal Document
Review Meeting Minutes: PCN, QER, Decision and Negotiations
Peer reviewer and other reviewer comments on project cycle documents
Public Information Document
Component reports prepared by World Bank staff and consultants
Aide Memoires

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