Office of Evaluation and Oversight

Country Program Evaluation

Colombia

2015-2018

IDB | IDB Invest

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Preface

This document discusses the Office of Evaluation and Oversight's (OVE) evaluation of the Inter-American Development Bank (IDB) Country Program with Colombia for 2015-2018. This is OVE's fifth independent evaluation of the IDB Group's program with Colombia. The preceding evaluations covered the periods 1990-2002 (document RE-280), 1998-2006 (document RE-337), 2007-2010 (document RE-393), and 2011-2014 (document RE-477).

Under the Bank's Protocol for Country Program Evaluation (document RE-348-3), the main goal of a CPE is to "provide information on Bank performance at the country level that is credible and useful, and that enables the incorporation of lessons and recommendations that can be used to improve the development effectiveness of the Bank's overall strategy and program of country assistance." This evaluation, like all others of its type, seeks to analyze the Bank's relationship with Colombia from an independent and holistic perspective and fulfill the dual mandate of strengthening accountability and sharing lessons learned for the Bank's future support and, in particular, for the next Country Strategy.

This country program evaluation takes a close look at the design, implementation, and results of operations approved or active between 2015 and December 2018, while keeping in mind country circumstances and pertinent strategic documents.

In preparing this document, OVE analyzed country data, studied project documents, and conducted interviews with the Colombian authorities, project execution units, representatives from civil society and the private sector, Bank managers who supervise the program with Colombia, and IDB Group staff from the Country Office in Colombia and Headquarters. The team also made site visits to projects that received IDB Group support in order to evaluate implementation challenges and progress.

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Abbreviations

ANDJE	*Agencia Nacional de Defensa Jurídica del Estado* [National Agency for Legal Defense of the State]
DANE	*Departamento Administrativo Nacional de Estadística* [National Administrative Department for Statistics]
DNP	*Departamento Nacional de Planeación* [National Planning Department]
e-invoicing	Electronic invoicing
IGR	Investment grant
IMF	International Monetary Fund
INV	Investment loan
LAC	Latin America and the Caribbean
MHCP	Ministry of Finance
MIF	Multilateral Investment Fund (IDB Lab)
NCRE	Non-conventional renewable energy
OECD	Organization for Economic Cooperation and Development
OVE	Office of Evaluation and Oversight
PBL	Policy-based loan
PBP	Programmatic policy-based loan
PND	*Plan Nacional de Desarrollo* [National Development Plan]
PPP	Public-private partnership
PS	Private sector loan
Sisbén	*Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales* [System for Identification and Classification of Potential Social Program Beneficiaries]
TCR	Technical cooperation loan
WEF	World Economic Forum
ZNI	Non-interconnected zones

Executive Summary

Colombia is an upper-middle-income country with a population of more than 45.5 million. In terms of per capita GDP, it is the wealthiest country in the Andean region. The services sector accounts for a significant share of GDP, while exports are strongly dependent on fuels and the extractive industries. In recent decades, the country has grappled with violence associated with drug trafficking and guerrilla and paramilitary forces. However, this violence has gradually reversed course over the past ten years. Colombia is currently in the midst of a shock caused by migration from Venezuela, which entails both risks and opportunities.

Colombia has grown significantly in recent decades, which has helped reduce poverty and expand the middle class. The main drivers of this progress were sound fiscal and monetary management and the high price of natural resources, specifically oil. Even so, poverty affects 28% of the population, which puts Colombia above the average for Latin America and the Caribbean. It is also the second most unequal country in the region. Poverty and inequality have disparate impacts across the country, with poverty rates in some regions and municipios doubling the national average.

To further deepen economic and social development, Colombia needs to find alternatives to the extractive sector while overcoming structural constraints in the public and private sectors. The economy's dependence on the extractive sector generates macroeconomic volatility and investor uncertainty. The private sector also contends with considerable challenges relating to the quality and coverage of the country's infrastructure. Furthermore, though many social indicators have improved over the last decade, particularly in the area of health, challenges remain in terms of education quality, which limits the development of the skills that the labor market requires. Lastly, the private sector struggles with expensive bureaucratic processes and the legal uncertainty produced by a weak judicial system.

The objective of the Bank's Country Strategy with Colombia 2015-2018 was to support the Government of Colombia in strategic areas with the aim of transforming Colombia into a high-income country with social mobility within two decades. The strategy focused on three strategic areas that were aligned with government priorities: economic productivity; public management effectiveness; and social mobility and consolidation of the middle class. The strategy included three crosscutting areas: gender and diversity; climate change; and integration. The strategy also noted that the Inter American Investment Corporation—now known as IDB Invest—would act, where market failures are present, to “promote private investment, improving its efficiency and development effectiveness, strengthening financing for small and medium-sized enterprises, and identifying synergies with sovereign guaranteed operations.”

The program had a high percentage of programmatic policy-based loans (PBPs) and was aligned with the country development challenges, the government’s priorities, and the Bank’s strategy with the country. From 2015 to 2018, Bank approvals totaled US$4,026,800,000, which exceeded the country strategy’s proposed financing framework. In all, 75.6% of sovereign guaranteed loan approvals were PBPs (the highest percentage among all borrowing member countries). IDB Invest’s non-sovereign guaranteed loans (to the private sector) totaled nearly US$1 billion and focused on infrastructure and the financial sector. Every loan in the IDB Group portfolio was properly aligned with at least one of the country strategy’s strategic objectives.

The use of program instruments, mainly PBPs, was noteworthy given the country’s borrowing capacity and its fiscal context. The government has to justify the cost of multilateral loans since it has the ability to borrow by issuing bonds on the market. This partly explains the government’s preference for PBPs during this period (10% more than the previous one). Policy-based loans are a fast-disbursing, predictable instrument that has been useful for supporting the government’s priority reforms. At the same time, the Bank has used technical-cooperation operations and technical dialogue to position itself as a key partner in technical knowledge transfer. Colombia continues to receive more technical-cooperation operations than any other country, which has made it possible for the Bank to remain engaged in issues that are important for the country, even in areas where it did not have any loan operations.

The Bank maintained its financial relevance at a time when Colombia can finance itself by issuing bonds at competitive interest rates. Although the government gives priority to issuing bonds as a source of financing, IDB financing remains at comparable levels to earlier periods and currently stands at 5.5% of central government debt. During the evaluation period, disbursements exceeded the strategy’s projected amount and were greater than the previous period, with an average annual disbursement amount of US$1 billion.

Investment loans were relatively few in number and struggled with implementation challenges. Problems associated with project design were more common in the strategic subareas of institutional strengthening, good governance and justice, urban development, water and sanitation, and energy. Some execution units for subnational projects, primarily in the water and sanitation and public transportation sectors, struggled with developing terms of reference, bidding processes, and compliance with environmental licenses during the initial phase of operations.

Even so, portfolio cost and efficiency improved over the previous period in several ways. For investment operations, the cost per million approved and million disbursed decreased during this period. In part, the reduced cost of preparation and execution reflects increases in the average amounts approved and disbursed. At the same time, the average preparation time for an investment operation was four months shorter than in the previous period, while the time from eligibility to first disbursement was over one month shorter. The number and average cost of cancelled operations also decreased. Lastly, in contrast to the previous period, no PBP series was truncated.

Most operations in the area of economic productivity focused on supporting financial institutions or on transportation and logistics. Results were mixed, in part due to scant progress in the implementation of investment loans. Many projects have made too little headway to see results. Several loans to financial institutions have been impacted by unexpected economic conditions or by a failure to meet the client's needs, such as access to local currency financing. The projects that have moved forward, such as the PBPs for financial institutions and transportation, are on track to achieve results. In the transportation sector, there is a good mix of instruments and complementarity between the IDB and IDB Invest. The sustainability of results, once obtained, should be supported by the reforms implemented through PBPs.

The public management effectiveness program made the most progress in the areas of fiscal policy, institutional strengthening, and good governance and justice. Urban development projects produced few results due to difficulties in design and execution. In general, the main drivers of effective project execution were prior experience with the Bank, the degree of commitment of the executing agency, sound design, and Bank support during execution. In some cases, however, a lack of a clear commitment to the project and inadequate designs led to execution delays. Generally speaking, the results achieved in this strategic area appear to be sustainable, except for those in urban development.

In the area of social mobility and consolidation of the middle class, the program focused mainly on access to water and sanitation and electricity infrastructure and the efficiency of social subsidies. While the two PBPs were fast-disbursing, execution of the investment loans has progressed slowly, due to the implementation setbacks that they have faced, which have hindered the achievement of results. Subnational entities' lack of prior experience with the Bank was a significant cause of execution delays. In the water and sanitation sector, the program helped increase access to potable water and basic sanitation in Colombia, but it was unable to achieve its proposed results due to implementation challenges. The PBPs related to energy and social protection were the first phases of two operations, which explains why not all of the proposed reforms have been fulfilled. The sustainability of the results of the few investment operations that have made progress depends largely on the institutional capacity of the agencies that are responsible for the operation and maintenance of the works and services.

During this period, the Bank helped ensure that reforms were fulfilled in the desired timeframes and managed to be perceived as an honest broker and convey its regional expertise. The technical support and financial flows that Colombia receives from PBPs have been a significant force for ensuring that the government's priority reforms are implemented in the desired timeframes. Furthermore, the Bank has been a preferred partner in technical support and dialogue, helping the country design and implement priority reforms and programs. Lastly, the Bank's experience with other countries in the region affords it the opportunity to share its expertise with the government, particularly with regard to new and innovative topics and programs, such as electronic invoicing and public-private partnerships (PPPs).

Reflecting on the Bank's future relationship with an upper-middle-income country that continues to grow, the Office of Evaluation and Oversight (OVE) offers the following recommendations:

1. Even though the Bank's program is relevant in the current fiscal and economic context, the Bank, in dialogue with the government, should determine how to create intervention models that continue to be suitable going forward. If Colombia sustains high rates of economic growth, the Bank will eventually need to develop a different mix of instruments to maintain its role as a preferred development partner. For example, as the Bank continues to improve investment loan implementation, it could consider using results-based loans to finance government programs' expenditure frameworks, thereby potentially facilitating execution and lowering transaction costs. In addition, to deepen its relevance, the IDB Group could consider increasing the use of local currency loans when appropriate.

   Given the development gaps at the subnational level, the IDB Group should continue to seek an effective means of intervention in this area, taking into account Colombia's institutional and regulatory limitations.

2. As part of this exercise, the IDB Group should consider subnational development intervention models that have been implemented in other countries and are appropriate for the Colombian context.

3. The IDB Group could identify niches for supporting subnational development by means of financial instruments that combine public and private investment, such as design and financing assistance for PPPs that align with the IDB Group's development objectives at the subnational level or support for the deepening of financial markets to develop municipal bond markets.

01

Context for the Country Program, 2015-2018

1.1 Colombia is an upper-middle-income country (according to the World Bank classification) with a population of more than 45.5 million. Its per capita GDP is US$14,472 (purchasing power parity at current prices), and it is the wealthiest country in the Andean region, followed by Peru[1] (World Bank 2018). In recent decades, the country has grappled with violence associated with drug trafficking and guerrilla and paramilitary forces. However, this violence has gradually reversed course over the past ten years. In 2016, the government concluded peace negotiations with the Revolutionary Armed Forces of Colombia (FARC). The agreement signed by the two parties included rural development plans and transitional justice formulas, among other elements, and has an estimated implementation cost of almost US$4.3 billion (Ministry of Finance [MHCP] 2018).

A. Recent economic performance

1.2 Although economic growth in Colombia has declined in recent years, due in part to the fall in oil prices, it is now beginning to show signs of a modest recovery. Although the country grew, on average, 4.8% per year between 2005 and 2014,[2] the growth rate dropped to 1.8% in 2017. The International Monetary Fund (IMF) projects that growth rates over the next five years will only reach 3.6%, on average. Prior to the drop in oil prices, growth levels were driven by a stable political and economic framework and high prices for natural resources (particularly oil). This growth has helped reduce poverty and expand the middle class. Nonetheless, challenges persist with regard to poverty and inequality. The poverty rate (28%) remains above the average for Latin America and the Caribbean (LAC), while inequality—as measured by the Gini index (50.8)—is the second highest in the region (World Bank 2018). Moreover, in some regions and municipios, poverty rates are double the national average. In 27 of Colombia's 32 departments, per capital income is lower than the national average (World Bank 2015).

1.3 The services sector accounts for a significant share of GDP, while exports are strongly dependent on fuels and the extractive industries. The services sector represented more than 43% of GDP in 2017, while the industrial sector and agricultural and raw materials production accounted for around 21% and 11%, respectively (National Administrative Department for Statistics [DANE] 2018). National output is also highly concentrated in

1 Usually the Andean countries are defined as Bolivia, Colombia, Ecuador, Peru, and Venezuela. This analysis excludes Venezuela since its most recent data is from 2014.

2 Office of Evaluation and Oversight (OVE) analysis of IMF data.

just a few departments (regions). The six largest departments[3] (out of 32 total) generate approximately 65% of the nation's value added (World Bank 2015). In terms of exports, Colombia is highly dependent on hydrocarbons (particularly oil) and products from extractive industries, which together accounted for more than 59% of exports in 2018 (DANE 2018). Agricultural and manufactured products also account for a significant share of exports, at around 20% of the total.

1.4 Sound economic policy management has underpinned economic stability and growth. The government adheres to a fiscal rule that establishes a structural balance for the central government. Introduced in 2012, this rule sets fiscal targets with the objective of reducing the structural deficit to 1% of GDP or less in 2022. As the result of the fall in oil prices, which led to a contraction in central government revenues equivalent to 3.3% of GDP between 2013 and 2016, significant cuts to expenditures—and to capital expenditures in particular—were made in 2015. Central government net debt reached a peak in 2018 (47.2% of GDP) and is expected to converge to around 32% within 10 years as long as the fiscal rule is maintained (MHCP 2018). Banco de la República (the Central Bank) operates an inflation regime that has allowed it to maintain inflation within the target range of 2%-4%. Though the inflation rate reached 4.1% in 2017, it was on a downward trend. By year-end 2018, it stood at 3.2%, within the target range. In addition to the effective management of the inflation-targeting regime, the drivers behind this positive outcome included the disappearance of the impact of a January 2017 increase in the value-added tax, a drop in indexed prices, and a stable foreign exchange context.

1.5 Colombia is also in a relatively strong position to withstand an external shock because its current account balance has improved due to a recovery in oil exports. Falling oil prices led to a drop in the value of exports, resulting in a current account deficit of 6.4% of GDP in 2015. The deficit declined to 3.4% of GDP in 2017, and the IMF has projected a drop to 2.4% in 2018. Despite the current account deficit and the depreciation of the peso by approximately 36% since 2014 (due to the flexible exchange rate regime), the country has the capacity to buffer external shocks. Foreign direct investment flows have remained at between 3.8% and 4% of GDP since 2015, levels of international reserves are high (sufficient to cover more than nine months of imports), and the country has access to an IMF flexible credit line.

3 Bogota (24.7%), Antioquia (13.1%), Valle de Cauca (9.2%), Santander (7.2%), Meta (5.6%), and Cundinamarca (5.1%).

B. Development challenges

1.6 To sustain high rates of economic growth, the country needs to find alternatives to the extractive sector while overcoming structural constraints in the private sector. Dependence on the extractive sector generates volatility. Furthermore, the Colombian private sector struggles with costly bureaucratic processes and overregulation. In terms of ease of doing business, Colombia is ranked 59th out of 190 countries and 4th among LAC countries (World Bank 2018). Disaggregating by the components of the Doing Business rankings (World Bank 2018), Colombia is ranked an enviable second in terms of "getting credit" and 16th in "protecting minority investors." Yet the country is ranked 177th in "enforcing contracts," 142nd in "paying taxes," and 125th in "trading across borders.[4] In the 2018 Global Competitiveness Index produced by the World Economic Forum (WEF), Colombia ranks 66th out of 138 countries and 5th among LAC countries.[5] In four of the index's 12 pillars, Colombia ranks among the lowest of those 138 countries: "institutions" (117th), "efficient goods markets" (102nd), "health and primary education" (88th), and "efficient labor markets" (88th). The WEF report indicates that the most problematic issues for business are corruption,[6] tax rates, government bureaucratic inefficiency, inadequate infrastructure supply, and labor market rigidities.

1.7 Good governance is also a matter of concern for the Colombian people. Despite the fact that Colombia's homicide rate in 2017 was the lowest recorded in the last 42 years, public perceptions of the justice system are negative. In all, 60% of Colombians who turn to the judicial system report that their problem was not resolved (El Tiempo 2017), and 80% of Colombian citizens disapprove of the court system (Gallup 2018). The reasons for this disapproval include: (i) the inefficiency of the court system and (ii) corruption (IDB 2015). According to the last country strategy (IDB 2015), the main challenges related to good governance are low institutional efficiency and effectiveness in revenue collection and expenditure execution. From a global perspective, a comparison of over 200 countries reveals that

4 For example, a civil court action in Bogota takes 1,288 hours and costs 45.8% of the amount involved, compared to LAC averages of 767.1 hours and 31.4%, respectively. The indicators also show that export and import processing times are approximately double the average for LAC, while the rate of tax plus social security contributions represents 69.7% of profits, compared to a LAC average of 46.6%.

5 The WEF changed its methodology for its 2018 report, which impacted the country rankings. The Office of Evaluation and Oversight (OVE) uses the old methodology to report the data so that the entire period of analysis can be covered.

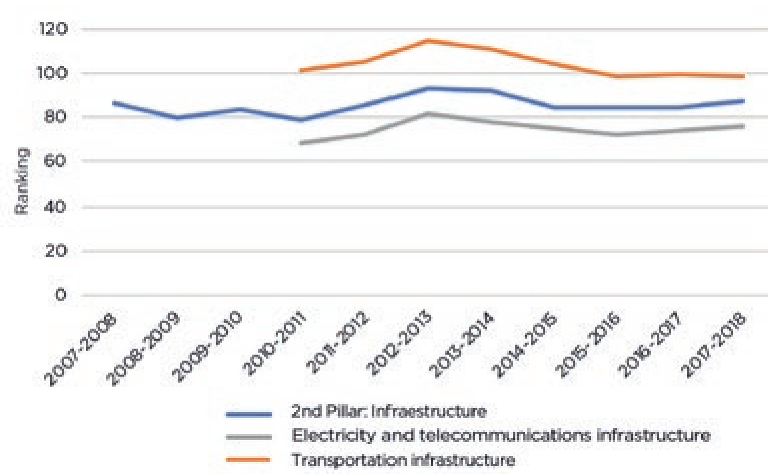
6 Colombia ranks 99th out of the 180 countries in the Corruption Perceptions Index published by Transparency International (Transparency International 2018).

Colombia's legal framework and government effectiveness and transparency are below average and have been declining since 2012 (World Bank 2018).

1.8 Despite modest progress, Colombia still exhibits considerable shortfalls with respect to infrastructure. According to the WEF, Colombian infrastructure ranked 87th in the world in 2017 and 14th in LAC. Relatively speaking, there has been greater progress in transportation infrastructure, with Colombia's ranking moving up from 114th in 2012 to 98th in 2017 (Figure 1.1). Transportation investment reached almost 6% of GDP in 2015, with US$11.8 billion in private investment and US$5.3 billion in public investment (Infralatam 2018). Despite this, challenges persist in the area of road quality (WEF 2017). In terms of electricity service coverage, the challenge lies in rural areas, where coverage is only 88% (compared to 97% nationwide and 99.7% in urban areas) (Sistema de Información Eléctrico Colombiano [Colombian Electricity Information System] 2018). As regards water and sanitation infrastructure, potable water coverage in urban areas stood at 97.8% in 2017, with sewer services at 92.4%. In rural areas, however, potable water and sewerage coverage rates stand at 73.2% and 70.1%, respectively (DANE 2018).

Figure 1.1
Trends in infrastructure ranking

Source: WEF, 2007-2017



1.9 Many social indicators have improved over the last decade, particularly in the area of health, but challenges remain in terms of the quality of education, which limits the development of the skills that the labor market demands. Specialized health care workers assist in almost all births (99.2%), and infant mortality fell from 19.8 per 1,000 births in 2008 to 15.2 in 2016 (World Bank 2018). Teenage pregnancies fell from 62.5 per 1,000 women (ages 15 to 19) in 2008 to 49.6 in 2016 (World Bank 2018). The prevalence of HIV in the population ages 15 to 49 has remained at 0.4% (World Bank 2018). At the same time, education quality and outcomes remain deficient, despite improved coverage. Net secondary enrollment has exceeded 70% over the last 10 years, standing at almost 76% in 2016 (UNESCO 2018). However, test results under the Programme for International Student Assessment (PISA) are among the lowest for middle-income countries and far below the average for countries belonging to the Organization for Economic Cooperation and Development (OECD).[7] Although tertiary education enrollment has been increasing (37%), it remains below the levels in OECD countries and countries such as Argentina and Chile (OECD 2013). The poor quality of education has led to a shortage of the skills demanded by the private sector, which limits growth. Another problem in the labor market is informality, which, though on the decline, continues to present an obstacle. According to the IMF, 62.3% of workers in 2017 were not contributing to the social security system.

1.10 Colombia is in the midst of a shock caused by migration from Venezuela, which entails both risks and opportunities. The Venezuelan population in Colombia has grown exponentially in recent years, jumping from 10,000 in 2015 to just over 1 million in September 2018, according to the Colombian migration authorities. Estimates indicate that this shock increased public expenditures in 2018 by $4.2 trillion Colombian pesos (0.42% of GDP) (Reina & Mesa, 2018).

C. The role of the Bank and other development partners

1.11 The Bank has been one of Colombia's key partners and contributes a high percentage of the total multilateral financing received by the country. In all, the IDB accounts for 42% of public sector foreign debt with multilateral organizations, while the World Bank accounts for 49%. When Colombia regained its investment grade status in 2011, its borrowing from other institutions became negligible. In the last decade, the World Bank loan portfolio has been concentrated in very few sectors (such as education and sustainable development), while the IDB has maintained a constant presence in nearly all sectors. Most of the remainder consists of bilateral foreign support in amounts much lower than those of the IDB and the World Bank.

7 Reading scores in 2015 were 425, compared to an OECD average of 493. In math they were 390 (compared to 490), while in science they were 416 (compared to 493) (OECD 2018).

02

The Bank´s Program with Colombia 2015-2018

A. Relevance of the Country Strategy

2.1 The government's development priorities were articulated in the *Plan Nacional de Desarrollo 2014 2018: Todos por un Nuevo País* [National Development Plan 2014 2018: Everyone for a New Country] (PND), which was approved in May 2015. The PND comprises three pillars (i) peace, (ii) equity, and (iii) education. Each pillar sets specific objectives, and in order to achieve them, the plan proposes six crosscutting strategies and six regional strategies, each with its own objectives and strategies. The crosscutting strategies are: (i) strategic competitiveness and infrastructure; (ii) social mobility; (iii) rural transformation; (iv) building peace through security, justice, and democracy; (v) good governance; and (vi) green growth.[8]

2.2 The objective of the 2015-2018 country strategy was to support the government in strategic areas with the aim of transforming Colombia into a high-income country with social mobility within two decades, and the strategy was largely in line with the PND. Based on a broad analysis of Colombia's development challenges, the constraints on the country's growth,[9] and the country's disparities with regard to its international comparators, the country strategy presented three interrelated strategic areas: (1) economic productivity; (2) public management effectiveness; and (3) social mobility and consolidation of the middle class. These three areas are aligned with five of the PND's six crosscutting strategies[10] (Table 2.1). The strategy also included three crosscutting areas: (a) gender and diversity; (b) climate change; and (c) integration. Given that the private sector is key to Colombia's development, the strategy noted that the Inter-American Investment Corporation—now known as IDB Invest—would act, where market failures are present, to "promote private investment, improving its efficiency and development effectiveness, strengthening financing for small and medium-sized enterprises, and identifying synergies with sovereign guaranteed operations."

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8 The regional strategies are: (i) a prosperous, equitable Caribbean region free of extreme poverty; (ii) the coffee belt and Antioquia: innovative human capital in inclusive regions; (iii) connectivity for integration and sustainable productive development in the Central-Eastern region and Bogota; (iv) the Pacific: socioeconomic development with equity, integration, and environmental sustainability; (v) environment, agroindustry, and human development: growth and well-being for the Los Llanos region; and (vi) Colombia's Central-South-Amazon region, a land of opportunities and peace: rural development and environmental conservation.

9 This analysis is discussed in the Country Development Challenges document, which has been essential to informing the Bank's country strategies since 2015. The 2015 Country Development Challenges document for Colombia was the first of document of this kind prepared by the Bank.

10 Green growth is not included, but the country strategy's crosscutting area of climate change is aligned with it.

Table 2.1. Sector priorities in the 2015-2018 strategy

PND crosscutting strategy	Country strategy priority areas	IDB strategic objectives
(i) Strategic competitiveness and infrastructure **(iii) Rural transformation**	**(1) Economic productivity**	• Spur innovation and development in business and agriculture. • Improve the quality of education. • Raise the quality of infrastructure and urban development and reduce transaction costs in the economy.
(v) Good governance **(iv) Building peace through security, justice, and democracy**	**(2) Public management effectiveness**	• Support a fiscal compact to improve State revenues. • Increase the quality of expenditure and public investment management capacity at all levels of government. • Increase the efficiency and quality of justice.
(ii) Social mobility	**(3) Social mobility and consolidation of the middle class**	• Continue to reduce poverty and eliminate extreme poverty. • Reduce informality in the economy. • Consolidate a sustainable and inclusive pension and health system. • Increase equitable access to quality basic services.
Crosscutting PND strategy	**Country strategy crosscutting areas**	**IDB strategic objectives**
(ii) Social mobility	**(a) Gender and diversity**	• Reduce social gaps with respect to ethnic minorities. • Reduce gender-based violence.
(vi) Green growth	**(b) Climate change**	• Strengthen the resilience of infrastructure to climate change.
(i) Strategic competitiveness and infrastructure	**(c) Integration**	• Reduce barriers to integration.

Source: Country strategy 2015-2018.

2.3 The Bank's proposed country strategy financing framework was based on public sector revenue and expenditure projections and was consistent with the medium-term fiscal framework. Specifically, it proposed US$3.29 billion in approvals from 2015 to 2018 and projected US$3.9 billion in sovereign guaranteed loan disbursements (approximately US$1 billion per year). This framework would represent 5.3% of Colombia's total government debt in 2018 and 37% of its multilateral debt.

2.4 The 2015-2018 country strategy noted three significant potential risks for the implementation of the Bank's program: insufficient fiscal resources, business cycle, and institutional challenges. With regard to insufficient resources,[11] the Bank proposed three mitigation measures: (i) support for a comprehensive fiscal reform; (ii) support for implementation of electronic invoicing through a loan; and (iii) support to strengthen subnational public finances. In terms of the business cycle,[12] the Bank recommended supporting public finances, particularly expenditure and public debt management, and financing operations in sectors with the greatest impact on growth. To address institutional challenges,[13] the Bank committed to supporting the country in strengthening its institutional capacity through loans and technical cooperation operations.

B. Relevance of the approved program

2.5 The program supported the country strategy with a high percentage of programmatic policy-based loans (PBPs) and exceeded initial forecasts in terms of approved volume. Between 2015 and 2018, IDB approvals exceeded the country strategy's proposed financing framework with a total of US$4,026,800,000 approved between sovereign guaranteed loans and investment grant operations (US$3,970,400,000) and nonreimbursable technical-cooperation operations (US$56.4 million) (see Table 2.2). PBPs accounted for 75.6% of operation approvals,[14] with the remainder consisting of investment loans and grant operations. During the evaluation period, Colombia had the most PBPs by percentage of total approvals among all of the Bank's borrowing member countries and was second only to Mexico in terms of volume (see Table A1.3 and Figure A1.1 in Annex I). The portfolio analyzed for this evaluation also includes a legacy portfolio (operations approved beforehand that remained active during the evaluation period[15]) consisting of 24 sovereign guaranteed loan operations with a total approved value of US$2.405 billion. Of this total, US$1.481 billion was pending disbursement at the beginning of the evaluation period.

11 Funding constraints imposed by fiscal rules could impact the investments the country requires.

12 The drop in oil prices since 2014 and the potential change in international interest rates could affect public finances, external accounts, and capital flows.

13 The identified State institutional challenges were related to government capacity to execute public investment at the national and subnational levels.

14 A PBP is a series of policy-based loans (PBLs). PBLs are disbursed as conditions agreed upon between the government and the Bank are fulfilled.

15 For purposes of this evaluation, active operations include those in which funds were disbursed during the 2015-2018 period. Guarantee facilities and equity investments that remained active and were maintained during the period are also included. International trade financing facilities are only taken into account when activity has occurred during the strategy period.

2.6 Private sector support focused on two sectors: infrastructure (over half of total volume) and the financial sector. In the energy, transportation, and finance sectors, the IDB Group approved nine non-sovereign guaranteed operations for US$954.7 million during the evaluation period. IDB Invest[16] approved five loans for US$763.3 million, one US$20-million guarantee, and one equity product for US$9.9 million. The Structured and Corporate Financing Department approved a US$156-million loan in the transportation sector, while the Opportunities for the Majority Sector approved one technical-cooperation operation in the health sector for US$500,000.[17] The non-sovereign guaranteed legacy portfolio included US$167.4 million in operations in the finance and small and medium-sized enterprise sectors.

Table 2.2. Sovereign guaranteed loans and technical cooperation operations (approved from 2015 to 2018)

Strategic area	Programmatic loans			Investment operations*			Technical cooperation		
		Amount			Amount			Amount	
	Number	US$ million	%	Number	US$ million	%	Number	US$ million	%
Increasing economic productivity	4	1,700	57	6	421.5	43	21	9.2	16
Improving public management effectiveness	1	600	20	5	268	28	8	2.7	5
Increasing social mobility and consolidating the middle class	2	700	23	2	261.4	27	16	20.7	37
Gender and diversity	0	0	0	0	0	0	4	1.3	2
Climate change	0	0	0	2	19.5	2	18	22.5	40
Integration	0	0	0	0	0	0	0	0	0
Total	**7**	**3,000**	**100**	**15**	**970.4**	**100**	**67**	**56.4**	**100**

* Includes investment loans and investment grants.
Source: Office of Evaluation and Oversight (OVE), with information from the Data Warehouse.

2.7 IDB Group programming was closely aligned with the country development challenges, the PND, and the country strategy. Every loan in the portfolio was properly aligned with at least one of the country strategy's strategic objectives (see Table A1.1

16 In 2016, the IDB Group merged all of its private sector windows into the Inter-American Investment Corporation (now known as IDB Invest), which inherited the operations of the Structured and Corporate Financing Department and the Opportunities for the Majority Sector. When this country strategy was developed, it did not officially include IDB Invest. Nevertheless, OVE reviews IDB Invest operations against the strategic backdrop of the country strategy.

17 In addition, the private sector window approved five loans whose resources have not yet been committed. Three were approved after the portfolio under review had been defined, while two others would not have been active during the evaluation period.

in Annex I). The country strategy area with the highest level of sovereign guaranteed loan approvals was increasing economic productivity (US$2.121 billion), followed by increasing social mobility and consolidating the middle class (US$961 million) and improving public management effectiveness (US$868 million) (see Table 2.2). In relation to the legacy portfolio, the area that benefited the most was increasing social mobility and consolidating the middle class (see Table 2.3). The Bank also provided significant support to subnational development, which received approximately one third of loans approved during the period. Lastly, the program has strengthened national fiduciary systems through loans and technical cooperation operations with the Office of the Comptroller General of the Republic and the Office of the Attorney General.

Table 2.3. Legacy sovereign guaranteed loans and grant operations (approved prior to 2015, but active from 2015 to 2018)

Strategic area	Programmatic loans			Investment operations*		
		Approved amount			Approved amount	
	Number	US$ million	%	Number	US$ million	%
Increasing economic productivity	0	0	0	9	628.6	46
Improving public management effectiveness	1	400	38	7	175.6	13
Increasing social mobility and consolidating the middle class	2	650	62	3	537.1	40
Climate change	0	0	0	2	14.2	1
Total	**3**	**1,050**	**100**	**21**	**1,355.5**	**100**

Source: OVE, with information from the Data Warehouse.
* Includes investment loans, invesment grants, and technical cooperation loans.

Box 2.1. The Multilateral Investment Fund (MIF) in Colombia, 2015-2018

Though outside the scope of this evaluation, the MIF approved 26 operations for a total of over US$28 million during the evaluation period. The MIF portfolio also includes 22 legacy operations for an approved amount of over US$22 million. In all, 48% of the 48 operations (23) focused on private enterprise and the development of small and medium-sized businesses. Of the remainder, the two most significant areas were agriculture and rural development (17%) and financial markets (15%).

2.8 The use of program instruments, mainly PBPs, was noteworthy given the country's borrowing capacity and its fiscal context. Colombia's Medium-term Debt Management Strategy requires the Ministry of Finance (MHCP) to justify every multilateral loan in light of the country's ability to borrow by issuing bonds on the market.[18] The rate offered by the IDB continues to be, on average, 80 basis points below market rates,[19] but credit fees can impact the Bank's competitiveness when a loan is slow to disburse. This partly explains why PBPs were preferred during this period[20] (10% over the previous period), as they are fast-disbursing and predictable. Fiscal ceilings have also encouraged the use of PBPs,[21] because there are no implementation expenses attached to PBPs, as there are with investment loans, and PBPs usually come with technical assistance.

2.9 In addition to providing predictable financial flows, PBPs have supported the Colombian government's priority reforms, and their depth has been scaled up between the first and second operations.[22] The PBPs have supported significant reform processes. For example, fiscal policy and subsidy PBPs have supported tax collection capacity and increased the efficiency of public expenditures to help the government achieve its 2020 structural deficit target of 1.1%. Furthermore, all of the policy-based loan (PBL) series have scaled up reforms between the first and second operations, except the financial sector series, whose first operation had a high percentage of medium- and high-depth conditions (see Table 2.4).

2.10 The Bank has used technical cooperation operations and technical dialogue to position itself as a key partner in technical knowledge transfer. Colombia continues to receive more technical cooperation operations than any other country, with 67 approved during this evaluation period for a total amount of US$56.4 million (see Table A1.4 in Annex I), which have benefited a wide variety of areas.[23] This has

18 Under the Medium-term Debt Management Strategy for 2013, which was in effect during the country strategy period, the terms of multilateral debt must be more favorable than, or similar to, those available on the market. In October 2018 the government released a new strategy, designed with IDB support.

19 In October 2018, MHCP issued US$2 billion in 10- and 30-year foreign debt bonds at rates of 4.5% and 5%, respectively.

20 The World Bank's program has followed the same trend: 84%, by volume, of approvals from 2015 to 2018 are development policy loans (an instrument that is equivalent to the IDB's PBLs).

21 In 2015 budget allocations in many sectors were cut. Since then, there have been cuts in the transportation sector (42%), agriculture and health (43%), and employment and the social safety net (51%).

22 OVE determined the depth of PBP conditions by applying the methodology set forth in its 2015 annual report (document RE-485-8). This "depth analysis" seeks to capture how critical a reform is. A condition's depth is *high* if the measure is structural and can generate long-term changes in the institutional and public policy context; *medium* if the measure has immediate (but not lasting) effects that are significant, and *low* if the measure in itself cannot generate significant change but can act as a preliminary step to doing so. Depth does not necessarily indicate how important a condition is for the accomplishment of program objectives.

23 By volume, 51% of technical cooperation operations finance operational support, while 49% finance client support, with 36% earmarked for nonoperational institutional support and 13% for knowledge products.

made it possible for the Bank to stay engaged in issues that are important to the country, regardless of whether it had loan operations, which was viewed favorably by government and executing agency representatives. In fact, they said the Bank is their preferred partner for technical dialogue and support. During this period, the Bank's technical support in the areas of social protection and health was particularly noteworthy (12 technical cooperation operations). This support is helping the sector prepare for potential reforms, which could be supported with Bank financing.

Table 2.4. Percentage of PBP conditions that have high or medium structural depth

Shaded operations are pending approval		
Sector	**% of high or medium depth conditions**	
1. Fiscal	Operation 1 (2014)	Operation 2 (2014)
	40%	60%
2. PPPs	Operation 1 (2016)	Operation 2 (2014)
	59%	67%
3. Social	Operation 1 (2016)	Operation 2 (2014)
	25%	100%
4. Energy	Operation 1 (2017)	Operation 2 (2014)
	44%	52%
5. Financial	Operation 1 (2015)	Operation 2 (2014)
	94%	78%

Source: OVE´s analysis of PBP policy matrices.

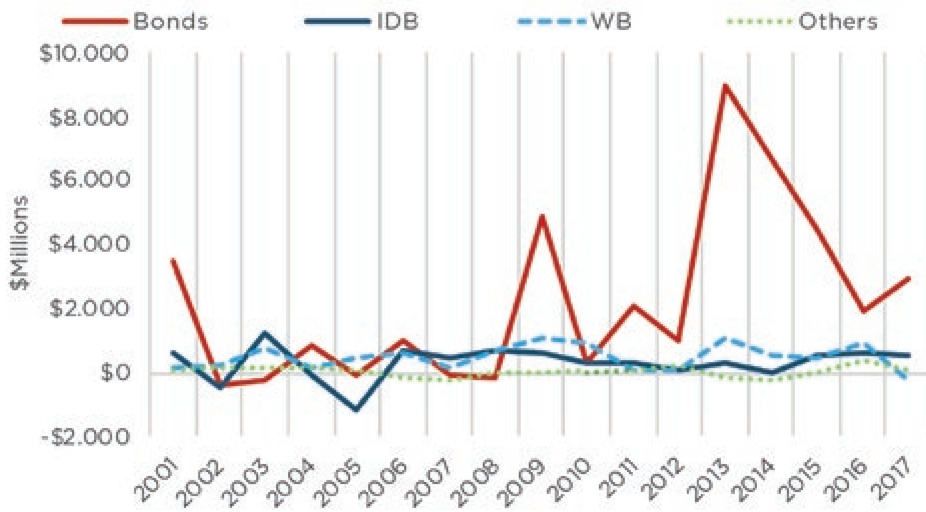
C. Financial relevance

2.11 The Bank maintained its financial relevance even when Colombia can issue bonds at competitive interest rates. Since the last country strategy period, the government has increasingly issued bonds as a source of financing.[24] That said, financing from multilateral sources remains at comparable levels to earlier periods (Figure 2.1). As of December 2018, 19.6% of central government debt was held in external bonds, while IDB loans comprised 5.5%.

24 In April 2011, Standard & Poor's upgraded Colombia's rating from BB+ to BBB-, which meant that the country's sovereign debt regained investment-grade status. This change allowed the Colombian government to borrow on the international capital market under better conditions.

Figure 2.1
Annual change in foreign debt stock (2003-2017)

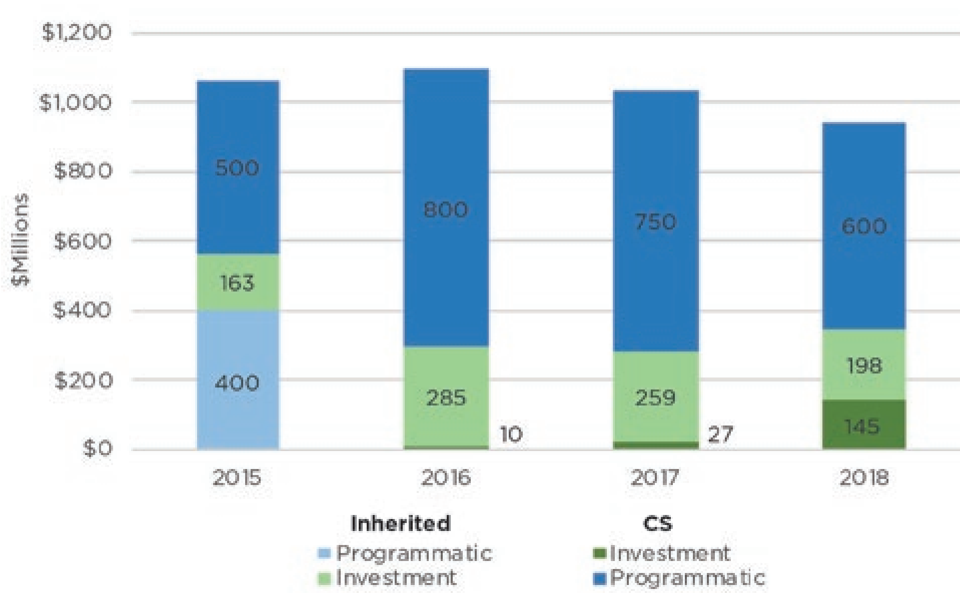
Source: Central Bank of Colombia, OVE calculations.



2.12 Disbursements exceeded the proposed amount in the country strategy and were greater than the previous period. During the evaluation period, the average annual disbursement amount was aproximately US$1 billion. In contrast, the average annual disbursement amount for the 2011-2014 period was approximately US$600 million. This high disbursement amount can be attributed to the sizeable percentage of PBPs in the portfolio (Figure 2.2). Investment loans approved during this period comprised only 1.7% of the total amount disbursed during the entire evaluation period.

Figure 2.2
Disbursements by instrument type during the evaluation period (2015-2018)

Source: OVE, with information from the Data Warehouse.



D. Country program implementation and efficiency

2.13 Though the country strategy identified risks and mitigation measures, investment loans—while relatively few in number—still struggled with implementation challenges. In all, 75% of investment loans encountered difficulties during implementation. The most common causes of these challenges included problems associated with project design (30%)[25] and execution unit capacity (20%).[26] The country strategy anticipated the second risk, which had also affected the implementation of the previous strategy, and proposed to mitigate it by improving subnational public investment execution capacity through urban development loans and regular portfolio review workshops with execution units. Other elements that adversely impacted projects in the portfolio included: macroeconomic and fiscal circumstances, administrative or policy changes at the national level, and a lack of coordination between agencies. A total of 11 loans (out of 36) were extended for 2.25 years, on average.

2.14 Problems associated with project design were more common in the strategic subareas of institutional strengthening, good governance and justice, urban development, water and sanitation, and energy. The evaluation identified projects affected by underestimated costs, flawed technical designs, risk identification shortcomings, and a lack of suitable execution arrangements. These weaknesses were identified after approval, resulting in execution delays. Projects associated with institutional strengthening and good governance and justice did not include execution arrangements that were suitable to the country's circumstances. One design challenge in urban development projects concerned the adequacy of execution units. In water and sanitation and energy, some projects experienced delays due to inadequate risk analysis during project design.

2.15 Some execution units for subnational projects, primarily in the water and sanitation and public transportation sectors, struggled with developing terms of reference, bidding processes, and compliance with environmental licenses during the initial phase of operations. At the national level, difficulties arose from poor management, planning, and leadership capacity at the ministries responsible for the projects. Though this risk was included in the country strategy, individual operations did not anticipate it as a significant risk in project design. To mitigate the situation,

25 Including issues associated with cost estimates, feasibility and environmental studies, underestimation of risk, market/demand analyses, execution arrangements, etc.

26 Including issues associated with technical and fiduciary capacity, staff availability, fulfillment of conditions precedent, compliance with Bank procedures, bidding processes, and vendor supply.

the Bank offered technical support (through workshops and consultants) to administer contracts, manage procurement processes, and monitor progress.

2.16 Portfolio cost and efficiency improved over the previous period in several ways. The cost of investment operations per million approved decreased to US$3,856 (15.8%), which is lower than the average for the Andean countries group but remains higher than the Bank average. The cost per million disbursed fell to US$8,558 (15.4%), which is lower than the averages for the Andean countries and for the Bank overall. In part, the reduced preparation and execution costs reflect increases in the average amounts approved and disbursed. At the same time, the average preparation time for an investment operation[27] fell from 16.8 months to 12.6 months compared to the previous period. The time from eligibility to first disbursement also dropped from 4.1 months to 2.8 months. Additionally, the number of operations that were prepared but never approved also decreased from 10 to 7, with an average cost of US$56,000 compared to US$233,000 last period. Lastly, no PBP series was truncated, in contrast with the last period, when four series were truncated. These results are in line with recommendations 1 and 2 from the last country program evaluation (see Box 2.2).

Box 2.2. Status of recommendations from the last country program evaluation (2011-2014)

Recommendation	Situation
1. Strengthen the design, monitoring, and completion of PBL series to avoid interruptions in the Bank's comprehensive support for priority sectors and ensure that development objectives are met in a sustainable manner. When PBL series are interrupted, it is recommended that these be removed from the lending program, and a project completion report prepared for the truncated series.	From 2015 to 2018, no PBP series was truncated, in contrast with the four truncated PBP series during the previous period.
2. Strengthen risk analysis during project design and periodically reevaluate and reprioritize the lending program based on dialogue between the Bank and the Government of Colombia, with a view to lowering the cost of projects prepared but unapproved or cancelled.	During the 2015-2018 period, the number of cancelled operations decreased from 10 to seven, at an average cost of US$56,000 compared to US$233,000 last period.

27 From registration to approval.

3. To lower the cost to the Bank of the program of technical cooperation operations, give priority to those linked to the Bank's strategy and lending program and increase the proportion of new technical cooperation operations executed by the client. In providing technical assistance, "fee-for-service" instruments may be useful for meeting client demands that cannot be met using nonreimbursable technical-cooperation operations.	By volume, 51% of the technical cooperation operations approved during the 2015 2018 period were linked to the lending program, 36% financed institutional support, and 13% financed knowledge products. Both the institutional support and the knowledge products were linked to the strategy. However, few technical cooperation operations were executed by the client, and there was no increase in the use of "fee-for-service" instruments.
4. Strengthen country dialogue and continue exploring ways to become operationally involved with subnational entities, seeking innovative options that utilize sovereign guaranteed and non-sovereign guaranteed, technical cooperation, and fee-for-service instruments.	During the 2015 2018 period, the Bank continued to support subnational entities with dialogue and several instruments, such as the conditional credit line for investment projects (CCLIP) for sustainable cities executed by Findeter. The National Planning Department also developed a municipal institutional capacity index.
5. Consider expanding the Bank's involvement in rural development, given the persistence of regional disparities and the emergence of new work areas expected as a result of the peace process.	The Sustainable Colombia loan (operation CO L1166) focuses on rural development during the peace process.

03

Program Results by Strategic Area

3.1 This chapter's analysis is organized according to the three strategic areas, which, in turn, are divided into subtopics that represent the IDB Group's contribution to the country strategy's strategic objectives.[28] This analysis focuses on the IDB Group's value added, the results of the portfolio that has been implemented, and the sustainability of these results. Since the majority of the portfolio, by volume, consisted of PBPs, this chapter examines the depth of the conditions supported by those series. With regard to investment operations, it examines the progress that has been made toward achieving the proposed results and the constraints that have impacted that progress. A detailed analysis of most sectors can be found in Annexes II through VI.

A. Economic productivity

Country strategy strategic objectives	1.1 Spur innovation and development in business and agriculture. 1.2 Improve the quality of education. 1.3 Raise the quality of infrastructure and urban development and reduce transaction costs in the economy.

Source: IDB Country Strategy with Colombia 2015-2018

3.2 Most operations in the area of economic productivity focused on supporting financial institutions or on transportation and logistics. Results were mixed, in part due to scant progress in the implementation of investment loans. Many projects have made too little headway to see results, while for other projects it is still too early to see results. The projects that have moved forward, such as the PBPs for financial institutions and transportation, are on track to achieve results. In the transportation sector, there is a good mix of instruments and complementarity between the IDB and IDB Invest. The sustainability of results, once obtained, should be supported by the reforms implemented through PBPs.

1. Business development and financial institutions

Operation number	Name	Type	Approved**		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1233	Program to improve the Connectivity and Digitalization of the Economy	PBP	2018	300	0
CO-L1222	Financing of Investment Projects, Productive Restructuring, and Export Development	INV	2017	90.7	100
CO-L1214	Financial System Reform Support Program II	PBP	2017	450	100

28 OVE recognizes that several operations and subtopics, such as urban development, advance more than one of the Country Strategy's strategic objectives (see Table A1.1 in Annex I).

12114-01	Davivienda Colombia	PS	2017	200	
CO-L1161*	Renewable Energy Financing Program for the Non Interconnected Zones	INV	2016	9.3	38
11619-02	Bancamía	PS	2016	20	
CO-L1144	Financial System Reform Support Program	PBP	2015	500	100
CO3985A-01	Pichincha	PS	2015	5	
CO-L1124*	CTF Energy Efficiency Financing Program for the Services Sector	INV	2013	10	100
CO-L1132	Third Program for the Financing of Investment Projects, Productive Restructuring, and Export Development	INV	2013	200	100
CO3440A-03	Bancóldex III	PS	2013	45	
Eight technical cooperation operations were also approved, for a total of US$4.2 million. Most provided client support to two national development banks (Findeter and Finagro). *Operations financed with resources from the Clean Technology Fund. ** Instrument type: TCR=technical-cooperation loan, IGR=investment grant, INV=investment loan, PBP=programmatic policy-based loan, PS=private sector loan.					

Source: OVE, with information from the Data Warehouse.

3.3 The IDB Group had a three-pronged approach in the financial sector.[29] First, both the public sector (IDB) and private sector windows (IDB Invest) of the IDB Group provided financial and technical support to Bancóldex, a second-tier public bank entrusted with promoting economic productivity (operations CO-L1161, CO-L1222, CO-L1124, and CO-L1132). Second, the IDB worked on regulatory issues with its counterpart, a specialized unit under the Ministry of Finance, to promote better access to services and a deepening of financial markets (PBP operations CO-L1144 and CO-L1214). Third, IDB Invest worked directly with large and small private financial institutions to promote greater access to collateral-based credit products, such as mortgages.

3.4 Overall, the program executed most of the approved volume because it consisted mainly of PBPs, which were fast-disbursing. However, several loans have encountered execution bottlenecks due to unanticipated macroeconomic and market conditions. For example, exchange rate volatility in 2015 affected disbursements to Bancóldex under two operations (operations CO-L1132 and CO-L1124). Another factor that adversely affected implementation was the high level of market liquidity and the lack of coordination between IDB and IDB Invest operations that had very similar objectives. Nevertheless, the long-term relationship with Bancóldex was instrumental during implementation. Other elements affected the IDB Invest

29 CO-L1233 was approved on 6 December 2018 and was not evaluated in this country program evaluation.

portfolio with financial institutions, such as a context of evolving demands, both in terms of institutional risk appetite and client needs, for example, access to local currency financing.

3.5 Colombia had been promoting a series of reforms to boost the role of the financial system in the country, and the Bank joined this effort by providing programmatic support. This program benefited from its local counterpart's strong leadership, which also contributed to its sustainability. The MHCP, acting through a unit responsible for financial system regulation, had been working on the reforms before the PBPs were prepared. According to government officials, some reforms benefited from the free-flowing dialogue with Bank specialists to develop and prioritize reforms. The government also appreciated the Bank's ongoing support during the reform effort.

3.6 The financial sector PBPs were designed to include mostly deep reforms throughout the series. The depth of reforms decreased in subsequent phases. The conditions that were of the greatest depth focused on regulating instruments used to perfect alternative collateral, such as factoring and personal property collateral; strengthening essential financial system functions, such as the secondary capital market; promoting sectors where there is a high potential for enhancing productivity, such as agriculture; and increasing the reliability and stability of the financial system through the adoption of good international practices.

3.7 In the financial sector, IDB Group results were mixed, with the challenge of transitioning toward a value-added model that moves beyond providing liquidity and seeks to promote competition and innovation in the sector. The work with Bancóldex proved that a program designed to create a supply with more advantageous conditions and focused on promoting productive investment can produce positive development results. However, this program entailed a cost in the form of subsidies, so it was discontinued without evidence of its cost-benefit. These changes send a message to the market that the commitment to generating a stable source of medium- and long-term financing for the productive sector is weak. The technical work with Bancóldex also achieved results in terms of financial product standardization in areas such as renewable energy and energy efficiency. However, the scale was small, and the high volatility of exchange rates and oil prices posed challenges. The regulatory framework PBPs achieved results and maintained the continuity of the programmatic sequence. IDB Invest's direct work with private financial institutions did not achieve the expected results.

2. Rural development

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1166	Sustainable Colombia	INV	2017	100	0
Seven technical cooperation operations and one grant were approved for a total of US$20 milion, four of them with funds from the Sustainable Colombia facility.					

Source: OVE, with information from the Data Warehouse.

3.8 At the end of 2018, none of the funds from the Bank's loan under the sole rural development operation had been disbursed, but disbursements from the associated multidonor fund (the Sustainable Colombia facility) had begun. Operation CO-L1166 seeks to improve the income of residents of priority post-conflict zones by restoring and protecting ecosystems and providing incentives to develop productive initiatives. This operation is aligned with the Country Strategy and with the fifth recommendation from the last Country Program Evaluation (see Box 2.2). So far, the operation has focused on coordinating the different program actors, which include government entities and entities from the countries that provide financing for the multidonor fund. This coordination seeks to support the implementation of the operation, which is based in areas where there are gaps in the institutional capacity of public and private entities. By the end of 2018, the Sustainable Colombia facility had approved four operations for a total of US$8.5 million, of which US$2.1 million had been disbursed as of the completion of this report. These operations are forging ahead with financing environmental projects during the wait for the issuance of calls for proposals for the structuring of sustainable productive projects.

3. Education

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1093	Management Support Program for the Quality Education for Prosperity Plan	INV	2012	46	96
Five technical cooperation operations focused on education quality and equity were also approved, for a total of nearly US$1 million. These operations financed studies for the Ministry of National Education and experience exchanges with other ministries of education in the region.					

Source: OVE, with information from the Data Warehouse.

3.9 Implementation of loan CO-L1093 has experienced delays, but performance has improved.[30] This operation has been extended 40 months for several reasons. At present, enough disbursements have been made for the operation to attain nearly all of its output targets, with a remainder of over US$1.7 million. Although independent evaluations of the loan have not yet been performed, important outputs have already been delivered, such as the inclusion of a citizen competency module in school achievement tests (SABER-PRO), the distribution of resources to decentralized education institutions, and the quality accreditation of several funded programs. The possibility that the experience and knowledge acquired during the execution stage will be lost places the sustainability of outcomes at risk, since the execution unit is not staffed by ministry personnel.

4. Transportation and logistics

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
12252-01	Ruta del Cacao 4G Toll Road	PS	2018	133.3	
CO-L1234	First Line of the Bogota Metro – Section 1	INV	2018	70	0
CO-L1162	Support for Colombia's Public-Private Partnership (PPP) Program	PBP	2016	400	100.0
CO-L1159	Perimetral Oriental de Bogotá Public Private Partnership	PS	2015	156	
CO-L1131	Program to Support Public-Private Partnerships in Infrastructure	INV	2013	25	50
CO-L1111	Support for Implementation of the National Road Safety Policy	TCR	2013	10	100
CO-L1109	Support for National Logistics Policy Implementation	TCR	2013	15	60
CO-L1091	Strategic Public Transportation Systems (SPTS) Program	INV	2011	320	64
CO-L1019	San Francisco-Mocoa Alternate Road Construction Project - Phase I	INV	2009	53	100
Five technical cooperation operations were also approved, for a total amount of US$2.4 million. Most provided operational support.					

Source: OVE, with information from the Data Warehouse.

3.10 The transportation and logistics program supported four different initiatives with a mix of sovereign guaranteed and non-sovereign guaranteed instruments. Specifically, the IDB Group

30 At first, the operation was not a high enough priority, and the execution unit lacked experience with Bank procedures. In 2015, the national government ordered budget cuts, which led to the budget allocation of ministry funds being reduced by over 50%. However, the operation became a priority once again in 2016, and management tools were modified to improve implementation under the fiscal framework.

collaborated with the country in the areas of: (i) public-private partnerships (PPPs); (ii) support for logistics and road safety institutions; (iii) highway infrastructure; and (iv) urban mobility.

3.11 IDB Invest facilitated the IDB Group's ongoing support for highway infrastructure and complemented IDB support for PPPs. During the evaluation period, the Bank focused mainly on institutional support and support for reforms, while IDB Invest financed specific infrastructure. The Bank's portfolio under review has only one legacy project, which involves capital investment in highways (operation CO-L1019), and a high percentage of operations that support regulatory adjustments and institutional strengthening. IDB work in the public sector complemented IDB Invest participation in private sector projects, particularly fourth generation (4G) toll roads, with two projects that have been completed and two in the pipeline. Although this complementarity began during the previous country strategy period, it has been become more firmly established during this one. Given the sector's investment needs and fiscal constraints, support for private investment has been significant.

3.12 The Bank has also maintained its standing as an important partner for the country because of its nonfinancial additionality.[31] For example, the Bank's early involvement in investment projects strengthens not only project design and structure, but also the Bank's relative position within the project. In the case of the Bogota Metro (operation CO-L1234), the structuring body viewed the Bank's pre-approval technical support and the assistance provided to Financiera de Desarrollo Nacional during the structuring stage as positive signs.

3.13 Most disbursements in the transportation and logistics sector were from the PBP to support PPPs, because the investment operations faced implementation obstacles stemming from various institutional, macroeconomic, design, and preparation risks. In general, the Bank was flexible when dealing with these obstacles. In most cases, programs moved forward thanks to changes in disbursement schedules or modifications to components. This particularly holds true for operations at the national level (such as operations CO-L1109 and CO-L1131). Other delays were linked to execution capacity at subnational entities (operation CO-L1091) or fiscal constraints (operation CO-L1109).

3.14 The PBP to support PPPs was of high depth, despite the ongoing evolution of institutional and regulatory issues (especially in nontraditional sectors) that could affect PPP development in the future. The depth analysis of the reforms based on the PBP

31 The clients mentioned this when interviewed (reputation, shielding reforms from political elements over the medium term, sound technical support).

policy matrix revealed that 18.5% of the conditions were of high depth, while 40.7% were classified as having low depth.[32] This was the result of a combination of structural conditions, such as the amendment of the PPP law and other regulations, and institutional changes, such as the creation of a PPP division at the ministry level or the definition of technical standards through resolutions. Although plans had been made to approve a second operation in this series, the government has decided that other areas, where reforms have made more progress, are higher priorities. With regard to the second tranche of the programmatic loan, 14.3% of its conditions should have high depth, while 35.7% should have low depth.

3.15 Since most of the evaluated investment operations remain in the implementation stage, it is not possible to report results in most cases. Of the portfolio under review, only three operations reached the completion stage. In the case of the PBP, the disbursement criteria usually involved outcomes from operations in past IDB infrastructure portfolios, which can be credited, at least in part, for the results of the reforms (for example, the 4G program). The main outcome of the road safety project (despite its partial cancellation) was the creation of the National Road Safety Agency, which should help improve the management of available resources for road safety policy and systematize indicators nationwide (which did not exist prior to this operation). However, it is still too early to report on this intervention's impact on road safety. Available data on accidents, fatalities, and injuries during the evaluation period indicate that Colombia continues to face significant challenges in road safety. Lastly, the oldest operation in the portfolio—the Pasto-Mocoa highway—still has not been completed due to technical design flaws and their impact on the estimated budget and timeframes. Though this project is still a priority for Colombia, a decision was made to cancel the operation's remaining partial disbursements.

B. Public management effectiveness

Country strategy strategic objectives	2.1 Support a fiscal compact to improve State revenues. 2.2 Increase the quality of expenditure and public investment management at all levels of government. 2.3 Increase the efficiency and quality of justice.

Source: Country Strategy, 2015-2018

32 OVE's 2015 Annual Report determined that, on average, 15% of conditions in the first loans of the Bank's PBP series had high depth, while 42% had medium depth and 43% had low depth.

3.16 The public management effectiveness program made the most progress in fiscal policy, institutional strengthening, and good governance and justice, while challenges in project design and execution limited the achievement of results in urban development. Prior experience with the Bank, the degree of empowerment of the execution unit, sound design, and Bank support during execution were the main drivers of effective execution for the projects that made the most progress. In contrast, a lack of a clear commitment to the project and inadequate designs led to execution delays in the projects that made the least progress. In general, the results achieved in this strategic area appear to be sustainable, except for those in urban development. Both government and Bank officials concurred that, in nearly all of the projects, the sustainability of project results primarily hinges on: (i) political support; (ii) continuity of financing; and (iii) consultants staying on at execution units as permanent staff. It is important to ensure that these three conditions continue to be met moving forward, to bolster results and continue making strides on reforms.

1. Fiscal policy

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1227	Program to Deepen Fiscal Reform in Colombia II	PBP	2018	600	100
CO-L1138	Promotion and Expansion of Electronic Invoicing in Colombia	INV	2014	12	70
CO-L1142	Program to Deepen Fiscal Reform in Colombia	PBP	2014	400	100
Three technical-cooperation operations for operational support were also approved (one of which was regional), in the amount of US$900,000.					

Source: OVE, with information from the Data Warehouse.

3.17 The mix of technical assistance, investment loans, and PBPs helped the government bring a medium- and long-term strategic vision to fiscal reform. Specifically, Bank technical assistance helped deepen fiscal reform,[33] regulate public debt and contingent liability management, and improve the efficiency of public expenditures financed by the General Royalties System.[34] For example, ongoing technical support, along with the discussions associated with the

33 This included support for the Policy for Strengthening the Management of State-owned Enterprises at the National Level through operation CO-T1432 (see Table A1.1 in Annex I) and as part of the conditions of operation CO-L1227.

34 Regional technical-cooperation operation RG-T3312 supported operation CO-L1138 by means of (i) informational workshops and exchanges on topics such as port community systems, logistics observatories, comprehensive risk management, advance rulings, and simultaneous inspection; (ii) study tours that focused on successful experiences in the region and beyond; (iii) analysis and recommendations regarding specific topics, such as the improvement of the Single Window for International Trade (VUCE), and project execution support.

development of the programmatic series, were instrumental in the government's transition from the existing asynchronous, deferred model of electronic invoicing (e-invoicing)[35] to the synchronous, real-time model. With the Bank's insistence, investment loan CO-L1138 was reorganized to implement a synchronous e-invoicing model and has helped develop the legal-institutional framework that its implementation and expansion required. Government interlocutors who were interviewed reported that the interaction with the Bank allowed them to step back from day-to-day management of the issues and focus on developing a strategic medium- and long-term program with the Bank's valuable technical assistance. OVE interviewed several interlocutors from the public sector and from the fiscal policy area in particular, who said they found the ongoing dialogue, mission visits, phone calls, expert support, variety of the use of instruments, and participation in Bank organized events extremely valuable.

3.18 The depth of the fiscal reforms that were conditions in the programmatic series has improved, and lower-depth policy reforms proved to have significant value added. Between the first and second operations, the percentage of medium- and high-depth reforms increased from 40% to 60%. In addition, government representatives interviewed by OVE reported that certain lower-depth reforms have proved to be instrumental. For example, strengthening subnational entities' capacity for structuring projects financed with royalties was an essential condition for meaningful investment projects. The development of a new debt management strategy was key to increasing the average life of debt and reducing its cost and risk. The government believed that the Bank's flexibility and willingness to assist with developing these lower depth reforms has had significant practical value and has helped consolidate the reforms. They also said the Bank's willingness to help with lower depth policy reforms gave the Bank a comparative advantage over other development partners.

3.19 There is already evidence that the fiscal loans are achieving their objectives. Despite delays in the investment loan, asynchronous e-invoicing became operational in 2017 and has expanded from 300 taxpayers to over 800,000. The transition to synchronous e-invoicing, in line with the reformulation of the investment loan, began with large taxpayers in 2018 and entered into effect on 1 January 2019. The programmatic series helped the government develop policies, rules, decrees, guidelines, and instructions necessary for fiscal reform in the areas of revenue collection and management, the efficient use of royalties to finance expenditures, and public debt and contingent liability management. In particular, the Bank supported several regulatory initiatives, including the development of Law 1,819 of 29

35 This asynchronous model was the basis for the initial design of operation CO-L1138.

December 2016, reforming the tax code; Decree 390 on the new customs statute; and the strategy for standardizing investment projects (National Economic and Social Policy Council). However, it is too early to assess whether the implementation of e-invoicing and the conditions of the programmatic series have resulted in increased revenue collection and higher quality public expenditures.

2. Institutional strengthening

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1140	Program for Institutional Strengthening of the Mining and Energy Sector	INV	2015	30	25
CO-L1102	Citizen Service Efficiency Project	INV	2014	20	76
CO-L1126	Program to Deepen Fiscal Reform in Colombia	INV	2013	8	80
Four technical cooperation operations to provide client support were also approved, for a total of US$1.3 million.					

Source: OVE, with information from the Data Warehouse.

3.20 In terms om institutional strengthening, the program focused on the use and implementation of information systems as catalysts for change within central government agencies, and adequate progress has been made in the implementation of two of the loans. Operation CO-L1126, which seeks to strengthen public investment, has disbursed 80% of its funds and is the loan that has made the most progress. In the case of operation CO-L1102, which seeks to improve the efficiency of citizen services, design-related flaws[36] have come to light. Despite this, since 2015 project disbursements have proceeded at a reasonable rate, and it has achieved good levels of progress toward its three components. Operation CO-L1140 has experienced considerable delays, stemming mainly from constant changes in ministry leadership, since the execution unit needs to rebuild political support after each change. Not enough progress has been made in the Program for Institutional Strengthening of the Mining and Energy Sector to discuss its potential for achieving its proposed results.

3.21 The two projects that have moved forward are on track to meet their objectives. Operation CO-L1126 has made progress toward implementing the integrated information technology platform

36 More specifically, the original design designated the National Planning Department (DNP) as the execution unit for the public works. However, even though the DNP was the execution unit, it did not have any experience in that area. Ultimately, the lead on execution of the works was given to another agency, while the DNP continued to be responsible for the work in practical terms, as the execution unit. The formulation of this strategy meant that the project took more than nine months to become eligible.

for investment. The "Investment Map" platform is currently undergoing testing in preparation for its public launch. Despite early difficulties, the construction of the four Integrated Service Centers called for by the program as part of operation CO-L1102 has finished, with three already operational.

3. Urban development

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1165	Fiscal and Public Investment Expenditure Strengthening Program for Subnational Entities and Their Public Utilities	INV	2016	150	0
CO-L1155	Fiscal and Public Investment Expenditure Strengthening Program for Municipios, Their Decentralized Agencies, and Metropolitan Areas	INV	2015	150	18
CO-L1133	Fiscal and Public Investment Expenditure Strengthening in Barranquilla	INV	2014	100	92
CO-L1125	Program to Support the Sustainable Development of the Department of the San Andrés, Providencia, and Santa Catalina Archipelago	INV	2013	70	61
Two technical cooperation operations were also approved, for a total of US$1.3 million. One provided operational support for the Emerging and Sustainable Cities CCLIP, and the other provided support to a client financing a social inclusion program in Santa Marta.					

Source: OVE, with information from the Data Warehouse.

3.22 The urban development program was primarily focused on a CCLIP that is tied to the objectives of the Bank's Emerging and Sustainable Cities initiative. However, the design and institutional structures of these operations have generated high intermediation costs, which has limited demand. The first CCLIP, focused on Barranquilla (operation CO-L1133), is the only one that has disbursed over 50% of its funds. Implementation was negatively impacted by an improper fit between the execution unit and project objectives. These projects had similar execution arrangements for their infrastructure components. Guided by its municipal development plan, a city would approach the banking system to finance its investment plan. The local bank that issues the credit (for example, Bancolombia) would, in turn, use funding from Findeter (a second-tier public bank and the execution unit) through a rediscounting operation. The Bank would then disburse the funds to Findeter ex post for the loans made, subject to certain eligibility criteria (such as specific areas prioritized by the loan contract). As a result, the city's financing cost included both the local bank's and Findeter's intermediation fees. The initial plan was to obtain a guarantee from the MHCP, which would confer the sovereign guarantee on the municipal debt when financed through this operation, thereby circumventing the intermediation costs. However, this was not possible. Instead, MHCP gave the sovereign guarantee to Findeter. The design's excessive financial costs made it unappealing to many municipalities.

4. Good governance and justice

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1236	Program for Strengthening the Institutional Capacity of the Ombudsman's Office	INV	2018	18	0
CO-L1225	Program for Strengthening Institutional Management of the Office of the Attorney General	INV	2017	40	9
CO-L1154	Program for the Institutional Strengthening of the Office of the Comptroller General of the Republic	INV	2015	30	70
CO-L1097	Program to Strengthen the Legal Defense of the State	INV	2012	10	100
CO-L1098	Program to Strengthen the Office of the Attorney General of the Nation—Phase Two	INV	2011	8	100
CO-L1041	Project for Strengthening Judicial Services	INV	2009	17.5	100
Three operational support technical cooperation operations were also approved, for a total of US$900,000.					

Source: OVE, with information from the Data Warehouse.

3.23 In this area, the program focused on strengthening four entities that are responsible for good governance and justice, but the subsector's fragmented nature hindered the development of a more coherent medium- and long-term strategic vision. The good governance and justice subsector comprises several oversight and enforcement agencies and State authorities that are autonomous or independent from the executive branch. Though the National Planning Department (DNP) has an oversight and coordination role, the natural absence of a hierarchical relationship between these agencies and the executive branch is an obstacle to the development of a strategic policy. All of the projects included in this subsector are driven by an internal institutional strengthening logic, such as mechanisms for carrying out supervision, prevention, and adjudication functions. The complementarity and sequencing of individual actions, however, is not guided by a comprehensive framework or a common strategy.

3.24 Despite delays in the legacy portfolio, operation implementation has improved, largely due to prior experience with the Bank and technical assistance. The three operations from the legacy portfolio experienced delays for several reasons, such as inadequate design and weak ownership among the authorities. Yet these challenges were overcome through the Bank's technical support, gaining more experience working with the Bank, and stronger political support for the projects. Implementation of the loans approved during the country strategy period benefited from the Bank's technical support, which improved project design and built institutional capacity at executing agencies. Specifically, the Bank supported the preparation and execution of four loans (operations CO-L1097, CO-L1154, CO-L1225, and CO-L1236) with technical cooperation operations.[37] This technical assistance helped develop the required diagnostic assessments for project preparation and project component design, which made it possible to effectively scale the projects and facilitated execution.

3.25 The loans with the largest disbursements have had mixed results. Operation CO-L1041 has not shown any improvement in the public's perception of justice system quality, speed, sentencing consistency, or reliability. However, there is evidence of partial improvement in the efficiency and effectiveness of the justice system in terms of the length of administrative proceedings,[38] the number of adjudicated rulings[39] has increased considerably, and significant progress has been made in simplifying legal terminology to prevent conflicting interpretations. Operation CO-L1098 has surpassed its targets for compliance with the rules governing public management at six subnational entities and two national agencies, and the percentage of regulatory compliance at the Ministry of Social Welfare has improved from 67.4% to 77.4%. Preliminary data from operation CO-L1097 indicate that the State has saved approximately 70 trillion Colombian pesos from suits won by the State since the National Agency for Legal Defense of the State (ANDJE) was established under this project. The State now wins approximately 51% of the suits to which it is party (compared to just 27% before the ANDJE was created), and the valuation of contingent liabilities from litigation has improved, which helps treasury forecasts and debt payment.

37 This technical assistance benefited the Ministry of Justice and Law, the Office of the Comptroller General of the Republic, the Office of the Attorney General of the Nation, and the Ombudsman's Office of Colombia.

38 Which has dropped from eight years to 1.5 years.

39 Judgments that show the rationale for the decision, used to establish case law.

C. Social mobility and consolidation of the middle class

Country strategy strategic objectives	3.1 Continue to reduce poverty and eliminate extreme poverty. 3.2 Reduce informality in the economy. 3.3 Consolidate a sustainable and inclusive pension system. 3.4 Increase equitable access to quality basic services.

3.26 In this area, the program focused primarily on access to water and sanitation and energy infrastructure and the efficiency of social subsidies, but the investment loans have had limited results due to implementation challenges. While the two PBPs were fast-disbursing, execution of investment loans has progressed slowly. Subnational entities' lack of prior experience with the Bank was a significant cause of execution delays. Therefore, it is still too early to see results. In the water and sanitation sector, the program helped increase access to potable water and basic sanitation in Colombia, but it was unable to achieve the proposed results due to implementation challenges. The PBPs related to energy and social protection were the first phases of two operations, which is why not all of the proposed reforms have been realized. The sustainability of the results of the few investment operations that have made progress depends largely on the institutional capacity of execution units and subnational entities.

1. Water and sanitation

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1232	Project for the Implementation of the Mocoa Sewer Master Plan (Stage 1)	INV	2017	30	0.3
CO-L1156*	Water, Basic Sanitation, and Electrification Program for the Colombian Pacific Region	INV	2015	231.4	12
CO-G1002**	Adaptation to Climate Impacts in Water Regulation and Supply for the Area of Chingaza-Sumapaz-Guerrero	IGR	2014	4.2	57
CO-L1105	Rural Area Water Supply and Wastewater Management Program	INV	2012	60	38
CO-L1034	Medellín River Sanitation Program - Phase II	INV	2009	450	100
CO-L1028	Water and Sanitation Program for the Municipio of Pasto	INV	2009	27.1	100
Five technical cooperation operations were also approved (one of which is reimbursable), for a total of US$18 million. * Only the water and sanitation component, which is equivalent to 57% of the total amount approved. ** Operation financed with resources from the Special Climate Change Fund (SCCF).					

Source: OVE, with information from the Data Warehouse.

3.27 The Bank has historically had a presence in financing water and sanitation infrastructure projects in Colombia. Over the last 10 years, the Bank has approved more investment projects than other multilateral institutions (its portfolio quadruples the amount of the World Bank's portfolio in the sector). This engagement and expertise are appreciated by execution units and counterparts, who recognize that the presence of IDB sector specialists in Colombia helps ensure timely and effective communication, an ongoing dialogue during operation execution, and access to technical assistance and support during the process.

3.28 In the water and sanitation sector, the program focused on Colombia's least developed regions. Lack of experience with project procedures and requirements among operators, contractors, and works inspection and supervision staff was one of the factors that had the biggest impact on operation implementation at the subnational level. For example, a lack of knowledge of environmental, social, and fiduciary requirements at subnational execution units and network operators hindered three loans during the initial phase (operations CO-L1156, CO-L1034, and CO-L1028).[40] Project execution, in cases such as operations CO-L1105 and CO-L1156, was delayed by inadequate risk analysis during the design stage, which did not take into account sector circumstances. Lastly, administrative changes and changing priorities at the national and municipal levels negatively impacted the execution of some loans. In response, the Bank provided technical training and technical cooperation operations and engaged consultants.

3.29 Due to execution delays, the Bank's water and sanitation program has shown incomplete results and limited progress during the evaluation period. On one hand, the project with the Municipio of Pasto (operation CO L1028) surpassed its initial targets and delivered drinking water availability to 78,600 urban users,[41] 42,464[42] of whom belong to strata 1 and 2 households. The loan successfully reduced Empopasto's[43] unaccounted-for-water indicator from 42.1% to 30%[44] and met its benchmarks for business development. However, the operation did not achieve its energy efficiency indicator benchmark or its targets at the rural level, mainly because the communities rejected usage-based billing. The other loans have not progressed enough to deliver outcomes, but some have managed to generate some

40 This meant that operations took, on average, one year from initial eligibility until the first disbursement (the loans in the portfolio under review took 2.6 months, on average).

41 Surpassing the initial target by 15%.

42 Equivalent to 54% of the total.

43 *Empresa de Obras Sanitarias de Pasto*, S.A.E.S.P.

44 Surpassing the initial target by 37%.

outputs. For example, operation CO L1156 has already begun construction of the two Loma Alta storage tanks in Buenaventura and the phase I sewer system in Quibdó.

2. Energy

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1217	National Program to Ensure a Sustainable and Efficient Energy Supply	PBP	2017	300	100
CO-L1119**	Efficient Demand-Side Management of Energy in Non-Interconnected Zones – San Andrés, Providencia, and Santa Catalina Archipelago Pilot Program	INV	2016	10	6
CO-G1007	Investment Grant for the Risk Transfer Program in Geothermal Power	IGR	2016	9.5	0
11794-04****	Ituango Hydropower Project	PS	2016	400	
CO-L1226	Ituango Hydropower Project	PS	2016	50	
CO-L1156*	Water, Basic Sanitation, and Electrification Program for the Colombian Pacific Region*	INV	2015	231.4	12
CO-X1009**	Catalytic Investments for Geothermal Power	IGR	2011	0.8	100

Six technical cooperation operations were also approved, for a total of US$2.9 million.
*The energy component is 39% of the total amount approved.
**Operations financed with resources from the Clean Technology Fund (CTF).
***Operation financed with resources from the Global Environment Facility Fund (GEF).
****The operation has a B loan that disbursed a total of US$275 million during the country strategy period.

Source: OVE, with information from the Data Warehouse.

3.30 The Bank is relatively new to the energy sector in Colombia, and its work focused on energy matrix diversification, energy efficiency, and rural area service coverage. Despite the Bank's extensive experience in the sector, which dates back over a decade, the current country strategy is the first to introduce loan operations in this sector. Under the 2011-2014 country strategy, energy was included in the areas for dialogue, more specifically under the topics of energy efficiency and renewable energy. The 2006-2014 portfolio included US$10 million in technical cooperation operations that address various energy-related issues. With the loans approved during the 2015-2018 period, the Bank became the leading multilateral institution and development partner in the mining and energy sector, focused on upgrading the energy matrix and increasing service coverage.[45]

45 During the evaluation period, most sovereign guaranteed loans and grants from abroad were from the IDB, with a portfolio of US$416 million, followed by the World Bank, whose portfolio was nearly US$43 million.

3.31 Although there is no evidence of explicit coordination between IDB and IDB Invest operations, their use of financial instruments was complementary. In energy, IDB Invest approved an investment project that benefited from IDB technical cooperation resources that supported project feasibility studies. The design of that technical cooperation operation took into account that the project could potentially obtain IDB Invest financing through a non-sovereign guaranteed operation given the availability of resources in that window for that type of project (large-scale generation projects).

3.32 A significant portion of disbursements under the Bank program in this sector is attributable to the PBP operation approved in 2017, as investment loans have experienced implementation challenges. To date, the aggregate disbursement rate of sovereign guaranteed operations approved after 2015 is 74%. This is because the PBP operation (CO-L1217) accounts for 73% of funds approved during the evaluation period. Only 4% of the funds from the other sovereign guaranteed operations approved during this period have been disbursed. Knowledge of conditions precedent and Bank procedures was the largest constraint on the implementation of sovereign guaranteed investment operations.[46] Public safety concerns and stakeholder opposition also adversely affected certain investment operations.[47] Implementation of geothermal projects was hindered by a lack of expertise in that subject in Colombia and a lack of interest among stakeholders. Due to the execution units' lack of experience, mitigation measures were not strong enough to prevent the identified risks from materializing.

3.33 The policy conditions of the first energy PBP were relevant for the sector, but most were of low depth, focusing on the development of policy guidelines to diversify the energy matrix and effectively manage demand. Looking at the first phase of the energy reform program operation, more than half of the policy conditions were of low depth (56%).[48] The first phase of the program focused on setting, designing, and formulating

46 Loan CO-L1156 has experienced execution delays due, in part, to rural network operators' lack of familiarity with Bank processes. The diagnostic assessment component of sustainable energy projects was also delayed because project proposals did not incorporate sustainability, since it was not a requirement for other funds from the Ministry of Energy. Loan CO-L1119 also experienced delays due to a lack of experience with multilateral banking issues at the execution unit and the Fund for Nonconventional Energy and Efficient Energy Management, which resulted in the Bank providing procurement support to mitigate these delays.

47 For example, operation CO-L1156 reported additional delays caused by public safety concerns in the Río Gualajo (Tumaco – Nariño) electrical interconnection system's area of influence, which caused the displacement of families. Program CO-L1119 ran into challenges with the potential beneficiary community, because community participation became a roadblock to execution due to opposition to the program.

48 If the second phase of the PBP is approved, nearly half (49%) of the policy conditions for the reform program overall will be of medium or high depth.

guidelines for the application of incentives for and the evaluation of investment in nonconventional renewable energy (NCRE) projects; regulating conditions for the connection, measurement, and delivery of surpluses to the national grid; regulating regional interconnection; designing the criteria for executing natural gas wholesale marketing arrangements; developing a guide for the implementation of efficient energy management plans in public entities; and designing the mechanisms for voluntary disconnection to make the national grid more reliable. During this first phase, generation projects using NCRE that are connectable to the national grid or located in non-interconnected zones (ZNIs) were recorded in a regulated registry and the Generation and Transmission Expansion Plan 2015 2029 was adopted, as were policy guidelines for expanding power service coverage in the National Interconnected System and in the ZNIs using NCRE.[49]

3.34 In general, the program has had limited results in the energy sector. In the case of the first PBP operation, results are limited due to the scope of its programmatic commitments. Both the results of the first operation, which are expected by 2020, and their sustainability depend on the implementation and adoption of reforms that address the challenges faced by the sector. The second PBP operation in this sector is currently being worked on, with support from technical cooperation funding, and it should be approved during the first quarter of 2019. All of the conditions for this operation have already been fulfilled, and most corncerned the definition, design, and formulation of policy guidelines to diversify the energy matrix and efficiently manage demand. With the low percentage of disbursement of funds from investment loans and grants, progress toward outputs has been limited, and outcomes have not yet materialized.

3. Social protection and health

Operation number	Name	Type	Approved		Disbursed (%)
			Year	Amount (US$ million)	
CO-L1163	Support for Subsidy Reform Program	PBP	2016	400	100
Additionally, 11 technical cooperation operations were approved for US$2.9 million in client support, as well as one operation for fee-based advisory and knowledge services.					

Source: OVE, with information from the Data Warehouse.

49 The medium- and high-depth commitments under the second phase of the reform program, slated for the first half of 2019, include the implementation and establishment of additional NCRE regulations; the definition of technical requirements for power generation using solar, wind, and geothermal sources; an operational registry of generation projects using NCRE; adoption of the Generation and Transmission Expansion Plan 2017-2031; concessioning of at least one ZNI as an exclusive service area; adoption of the Indicative Plan for Extending Natural Gas Coverage; and stabilization of the operation of the natural gas market.

3.35 In this sector, the program supported government programs and reforms through a combination of one PBP and 11 technical cooperation operations. The PBP helped the government improve the equity and efficiency of spending on subsidies financed by the national budget. The technical cooperation operations enabled the Bank to maintain its close support and dialogue with the government regarding social protection and health during a period characterized by a sharp drop in public expenditure in the sector (see paragraph 2.8). For example, they financed support for the government, primarily in program, reform, and policy evaluation, design, and implementation. Four technical cooperation operations financed support for nonprofit institutions in program design and implementation. The issues addressed by the technical cooperation operations included the pension system, social security, child development and health reforms, teenage pregnancy, the participation of women in the job market, and reducing informality.

3.36 Most policy conditions were of low depth and focused on improving data quality and increasing the efficiency of social program targeting. The operation—the first in a two-part series—had four conditions, three of which (75%) were of low depth. These conditions entailed a proposal for an amendment to a decree, aimed at improving the quality of data in the System for Identification and Classification of Potential Social Program Beneficiaries (Sisbén); a new household classification model; and a new interoperable administrative records system. The fourth condition, which was of medium depth, entailed the rationalization and optimization of subsidies through the development of a legislative bill approved by the DNP director. The eight conditions for a potential second operation include six medium depth conditions and two high depth ones.[50] Although there is no timetable for the second operation, progress is already being made toward the fulfillment of the conditions related to the implementation of the Sisbén and the social program inoperability system, which have benefitted from a technical cooperation operation (CO-T1418) and fee-based advisory and knowledge services (CO-R1002). Given the PBP's sound vertical logic, it is highly likely that the fulfilment of its conditions will improve the equity and effectiveness of subsidy spending.

50 These conditions focus on the Congressional approval of a subsidy rationalization and optimization law that would more efficiently allocate subsidies and the implementation of the new Sisbén and the social program interoperability system.

D. Crosscutting themes – gender and diversity, climate change, and integration

Country strategy objectives	**Gender and diversity**	• Reduce social gaps with respect to ethnic minorities. • Reduce gender-based violence.
	Climate change	• Strengthen the resilience of infrastructure to climate change.
	Integration	• Reduce barriers to integration.

Source: Country Strategy 2015-2018.

3.37 In all, 40% of the program's loans aligned with at least one crosscutting theme (see Table A1.1 in Annex I). Of these, 20% of loans aligned with climate change, primarily through the promotion of sustainability in the energy sector or the preservation or restoration of degraded ecosystems. Similarly, 20% of loans concerned gender and diversity. These operations helped close gaps in Afro-descendant and indigenous communities on Colombia's Pacific coast, provide training in production-related activities and support for women entrepreneurs, and combat gender-based violence on public transit systems. Lastly, integration was addressed in 8% of the loans, by means of support for improving regional connectivity (in eastern Bogota/Cundinamarca and southern Colombia, in particular) and strengthening the competitiveness of domestic commerce and foreign trade.

3.38 The crosscutting themes were also supported through technical cooperation operations and a limited number of investment grants. Climate change was the only crosscutting theme with direct investment operations: five investment grants for a total of over US$25 million. These operations were financed by the Global Environment Facility, the Clean Technology Fund, and the Sustainable Colombia Fund and focused on biodiversity, climate change adaptation in water regulation and supply, and geothermal energy generation financing. In addition, 18 technical cooperation operations, for a total of US$22.5 million, supported the financing of investments in renewable energy in the ZNIs, natural resource management, and natural disaster response. The crosscutting theme of gender and diversity was supported by seven technical cooperation operations, for a total of US$2 million, which focused on job training and entrepreneurship for women and minorities. Lastly, only one technical cooperation operation supported integration.

04

Summary and Recommendations

4.1 The evaluation found that the Bank continues to be an important partner for Colombia, employing a mix of instruments that are relevant to the country's fiscal and financial context. The country strategy was grounded in a comprehensive analysis of development challenges, and it identified the areas where the Bank had a comparative advantage to deliver support to the country in the reform process, dialogue, and technical support. Circumstances during the period called for predictable disbursements at a competitive cost and technical flows to help Colombia with its development programs. PBPs suited these financial needs and delivered progress on relevant policy reforms. For the most part, technical cooperation operations supported policy dialogue and the assessment, design, or fulfilment of the conditions of programs financed by the Bank and by the government.

4.2 Though investment loans experienced implementation challenges, the portfolio improved in terms of cost and efficiency. Many loans suffered from bottlenecks that stemmed from operation design or lack of knowledge of Bank procedures, particularly in subnational entities. The Bank responded with technical assistance, which helped improve project implementation in many cases. Nevertheless, the portfolio improved in terms of nearly every cost and efficiency indicator compared to the previous period. Fewer projects were cancelled, and no PBP series was truncated.

4.3 The program supported policy reforms through PBPs and had mixed results with its investment loans, with better performance in the areas of public management and economic productivity. In all three strategic areas, PBPs accounted for the majority of the portfolio by volume. In general, PBP conditions supported the country's priority reforms, as in fiscal policy, the financial sector, and PPPs. With respect to investment loans, implementation challenges limited the results achieved in several areas, while in others, such as institutional strengthening and good governance and justice, challenges were overcome and progress was made.

4.4 The three hallmarks of the Bank's value added during this period are: (i) it ensured that reforms are fulfilled in the desired timeframes; (ii) it was perceived as an honest broker; and (iii) it disseminated its regional expertise. The technical support and financial flows that Colombia receives from the PBPs have been a significant force for ensuring that the government's priority reforms are implemented in the desired timeframes. Furthermore, the Bank has been a preferred partner in technical support and dialogue, helping the country design and implement priority reforms and programs. Lastly, the Bank's experience with other countries in the region affords it the opportunity to share its expertise with the government, particularly with regard to new and innovative topics, such as e invoicing and PPPs.

4.5 Reflecting on the Bank's future relationship with an upper-middle-income country that continues to grow, OVE offers the following recommendations:

1. Even though the Bank's program is relevant in the current fiscal and economic context, the Bank, in dialogue with the government, should determine how to create intervention models that continue to be suitable going forward. If Colombia sustains high rates of economic growth, the Bank will eventually need to develop a different mix of instruments to maintain its role as a preferred development partner. For example, as the Bank continues to improve investment loan implementation, it could consider using results-based loans to finance government programs' expenditure frameworks, thereby potentially facilitating execution and lowering transaction costs. In addition, to deepen its relevance, the IDB Group could consider increasing the use of local currency loans when appropriate.

   Given the development gaps at the subnational level, the IDB Group should continue to seek an effective means of intervention in this area, taking into account Colombia's institutional and regulatory limitations.

2. As part of this exercise, the IDB Group should consider subnational development intervention models that have been implemented in other countries and are appropriate for the Colombian context.

3. The IDB Group could identify niches for supporting subnational development by means of financial instruments that combine public and private investment, such as design and financing assistance for PPPs that align with the IDB Group's development objectives at the subnational level or support for the deepening of financial markets to develop municipal bond markets.

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Annex I
Tables and Figures

Table A1.1. Investment loan and operation portfolio

Country strategy strategic objectives	Economic productivity					
	1.1 Spur innovation and development in business and agriculture.					
	1.2 Improve the quality of education.					
	1.3 Raise de quality of infrastructure and urban development and reduce transaction costs in the economy.					
Operation name and number		Year	Type	Approved (US$ million)	Disbursed	Alignment with the objectives
Business development and financial institutions						
CO-L1233	Program to Improve the Connectivity and Digitalization of the Economy	2018	PBP	300	0%	1.1
CO-L1222	Financing of Investment Projects, Productive Restructuring, and Export Development	2017	INV	90.7	100%	1.1, G
CO-L1214	Financial System Reform Support Program II	2017	PBP	450	100%	1.1
12114-01	Davivienda Colombia	2017	PS	200		1.3
CO-L1161	Renewable Energy Financing Program for the Non Interconnected Zones	2016	INV	9.3	37.8%	1.3, D, CC
11619-02	Bancamia	2016	PS	20		1.1, 3.1
CO-L1144	Financial System Reform Support Program	2015	PBP	500	100%	1.1
CO3985A-01	Pichincha	2015		5		1.1
CO-L1124	CTF Energy Efficiency Financing Program for the Services Sector	2013	INV	10	100%	CC
CO-L1132	Third Program for the Financing of Investment Projects, Productive Restructuring, and Export Development	2013	INV	200	100%	1.1
CO3440A-03	Bancoldex III	2013	PS	45		1.1
Rural development						
CO-L1166	Sustainable Colombia	2017	INV	100	0%	1.1, 3.1, G, CC
Education						
CO-L1093	Management Support Program for the Quality Education for Prosperity Plan	2012	INV	46	96.1%	1.2, G
Transportation and logistics						
12252-01	Ruta del Cacao 4G Toll Road	2018	PS	133.3		1.3, I
CO-L1234	First Line of the Bogota Metro – Section 1	2018	INV	70	0%	1.3, G

CO-L1162	Support for Colombia's Public-Private Partnership (PPP) Program	2016	PBP	400	100%	1.1, 1.3
CO-L1159	Perimetral Oriental de Bogotá Public Private Partnership	2015	PS	156		1.3, I
CO-L1131	Program to Support Public-Private Partnerships in Infrastructure	2013	INV	25	50.4%	1.1, 1.3
CO-L1111	Support for Implementation of the National Road Safety Policy	2013	TCR	5.2	100%	1.3, D, G
CO-L1109	Support for National Logistics Policy Implementation	2013	TCR	15	60.2%	1.3, I
CO-L1091	Strategic Public Transportation Systems (SPTS) Program	2011	INV	202	64.4%	1.3
CO-L1019	San Francisco-Mocoa Alternate Road Construction Project - Phase I	2009	INV	43.9	100%	1.3, I
	Public management effectiveness					
Country strategy strategic objectives	2.1 Support and fiscal compact to improve State revenues.					
	2.2 Increase the quality of expenditure and public investment management at all levels of government.					
	2.3 Increase the efficiency and quality of justice.					
Operation name and number		**Year**	**Type**	**Approved US$ million**	**Disbursed**	**Alignment with the objectives**
Fiscal policy						
CO-L1227	Program to Deepen Fiscal Reform in Colombia II	2018	PBP	600	100%	2.1, 2.2
CO-L1138	Promotion and Expansion of Electronic Invoicing in Colombia	2014	INV	12	70.3%	2.1, 2.2
CO-L1142	Program to Deepen Fiscal Reform in Colombia	2014	PBP	400	100%	2.1, 2.2
Institutional strengthening						
CO-L1140	Program for Institutional Strengthening of the Mining and Energy Sector	2015	INV	30	24.9%	2.2
CO-L1102	Citizen Service Efficiency Project	2014	INV	20	75.8%	2.2
CO-L1126	Program to Strengthen the Public Investment System	2013	INV	8	80.2%	2.2
Urban development						
CO-L1165	Fiscal and Public Investment Expenditure Strengthening Program for Subnational Entities and Their Public Utilities	2016	INV	150	0%	1.3, 2.2, 3.4
CO-L1155	Second Operation under the Multisector Conditional Credit Line for Investment Projects: Fiscal and Public Investment Expenditure Strengthening Program for Municipios, Their Decentralized Agencies, and Metropolitan Areas	2015	INV	150	18%	1.3, 2.2, 3.4
CO-L1133	Fiscal and Public Investment Expenditure Strengthening in Barranquilla	2014	INV	100	92%	2.2, 3.4

CO-L1125	Program to Support the Sustainable Development of the Department of the San Andrés, Providencia, and Santa Catalina Archipelago	2013	INV	70	61.4%	1.1, 1.3, 2.2, 3.2, 3.4, D, G, CC
Good governance and justice						
CO-L1236	Program for Strengthening the Institutional Capacity of the Ombudsman's Office	2018	INV	18	0%	2.2, 2.3, D, G
CO-L1225	Program for Strengthening Institutional Management of the Office of the Attorney General	2017	INV	40	8.7%	2.2
CO-L1154	Program for the Institutional Strengthening of the Office of the Comptroller General of the Republic	2015	INV	30	69.8%	2.2
CO-L1097	Program to Strengthen the Legal Defense of the State	2012	INV	10	99.7%	2.1, 2.2, 2.3
CO-L1098	Program to Strengthen the Office of the Attorney General of the Nation—Phase Two	2011	INV	8.1	100%	2.3
CO-L1041	Project for Strengthening Judicial Services	2009	INV	17.5	100%	2.3
Country strategy strategic objectives	**Social mobility and consolidation of the middle class**					
	3.1 Continue to reduce poverty and eliminate extreme poverty					
	3.2 Reduce informality in the economy					
	3.3 Consolidate a sustainable and inclusive pension system					
	3.4 Increase equitable access to quality basic services					
Operation name and number		**Year**	**Type**	**Approved (US$million)**	**Disbursed**	**Alignment with objectives**
Water and sanitation						
CO-L1232	Project for the Implementation of the Mocoa Sewer Master Plan (Stage 1)	2017	INV	30	0.3%	3.4, CC
CO-L1156	Water, Basic Sanitation, and Electrification Program for the Colombian Pacific Region	2015	INV	231.4	12.4%	3.1, 3.4, D, G
CO-G1002	Adaptation to Climate Impacts in Water Regulation and Supply for the Area of Chingaza-Sumapaz-Guerrero	2014	IGR	4.2	57.2%	3.4, CC
CO-L1105	Rural Area Water Supply and Wastewater Management Program	2012	INV	60	38%	3.4
CO-L1034	Medellín River Sanitation Program - Phase II	2009	INV	450	100%	3.4
CO-L1028	Water and Sanitation Program for the Municipio of Pasto	2009	INV	27.1	100%	3.4
Energy						
CO-L1217	National Program to Ensure a Sustainable and Efficient Energy Supply	2017	PBP	300	100%	1.3, 3.4, CC
CO-L1119	Efficient Demand-Side Management of Energy in Non-Interconnected Zones – San Andrés, Providencia, and Santa Catalina Archipelago Pilot Program	2016	INV	10	6.1%	1.3, 3.4, D, G, CC

CO-G1007	Investment Grant for the Risk Transfer Program in Geothermal Power	2016	IGR	9.5	0%	1.3, 3.4, CC
11794-04	Ituango Hydropower Project	2016	SP	400		1.3, 3.4
CO-L1226	Ituango Hydropower Project	2016	SP	50		1.3, 3.4
CO-L1156	Water, Basic Sanitation, and Electrification Program for the Colombian Pacific Region	2015	INV	231.4	12.4%	3.1, 3.4, D, G
CO-X1009	Catalytic Investments for Geothermal Power	2011	IGR	2.7	100%	3.4, CC
Energy						
CO-L1163	Support for Subsidy Reform Program	2016	PBP	400	100%	2.2, 3.1

NOTE: Crosscutting themes: D= Diversity, G= Gender, CC= Climate Change, I= Integration.
Instrument type: TCR=technical cooperation loan, IGR=investment grant, INV=investment loan, PBP=programmatic policy-based loan, PS=private sector loan.
Source: Compiled by the authors with information from the Data Warehouse.

Table A1.2. Technical Cooperation and Fee-for-Service Portfolio

Country strategy strategic objectives	**Economic productivity**					
	1.1 Spur innovation and development in business and agriculture.					
	1.2 Improve the quality of education.					
	1.3 Raise de quality of infrastructure and urban development and reduce transaction costs in the economy.					
Project number and name		**Year**	**Type**	**Approved (US$ thousand)**	**Disbursed (US$ thousand)**	**Alignment with the objectives**
Business development and financial institutions						
CO-T1402	Support preparation of operation CO-L1161 to structure a financing strategy	2015	TCP	145.9	145.9 (100.0%)	**1.1, 1.3, CC**
CO-T1409	Mitigation of Greenhouse Gas Emissions through Renewable Energy Projects in ZNIs	2015	TCP	500	63.7 (12.7%)	**1.1, 1.3, CC**
CO-T1423	Financing Mechanisms for Private Investments in Energy Efficient (EE) Public Lighting	2016	TCP	1,999.7	471 (23.6%)	**1.3**
CO-T1426	Rural Microfinance Sector Development	2017	TCP	200	107.4 (53.7%)	**1.1**
CO-T1439	Strengthening Funding Instruments for Early Stage Innovative Firms	2017	TCP	390	127.0 (32.6%)	**1.2**
CO-T1455	Dissemination of ECOCASAS Knowledge	2017	TCP	11.6	11.6 (100.0%)	**1.3, CC**
CO-T1475	Market Pull Technology Transfer as a Catalyst for Innovation in Colombia	2018	TCP	600	0%	**1.1**
CO-T1491	Accelerating the Strategic Disruptive Business Hub of Life Sciences in Medellín	2018	TCP	350	0%	**1.1**
Rural development						
CO-T1387	Consolidation of the National System of Protected Areas at the National and Regional Levels	2016	TCP	4,157	946.3 (22.8%)	**1.1, CC**
CO-T1395	Assessing Tropical Dry Forest Ecosystem Services	2015	TCP	549.4	335.4 (61.1%)	**1.1, CC**
CO-T1412	Sustainable Management and Conservation of Biodiversity in the Magdalena River Basin	2016	TCP	6,363.6	866.8 (13.6%)	**1.1, CC**
CO-T1456	Emergency Flood Support in Mocoa, Putumayo	2017	TCP	200	200 (100%)	**1.1, CC**
CO-G1012	Strengthening of Forest Governance	2018	IGR	1,500	0%	

CO-T1492	Monitoring, Reporting, and Verification of the agriculture, forestry and other land uses sector (AFOLU) in Colombia	2018	TCP	2,992.2	0%	**1.1, CC**
CO-T1493	Restoration and Conservation of the Transformed Ecosystems in La Macarena National Park	2018	TCP	700	0%	**1.1, CC**
CO-T1495	Support for the REDD+ Project Portfolio in the Chocó Biogeographic Region	2018	TCP	3,348.4	0%	**1.1, CC**
Education						
CO-T1397	Perspectives in Higher Education: toward and educated Colombia with quality	2015	TCP	7.8	7.8 (100.0%)	**1.2**
CO-T1406	Support to improve the effectiveness and equity of educational investments	2016	TCP	111.8	103.1 (92.2%)	**1.2**
CO-T1422	Improving Education Quality in Rural Areas	2016	TCP	570	413.8 (72.6%)	**1.2**
CO-T1468	Improvement of School Management in Colombia	2018	TCP	250	8.1 (3.2%)	**1.2**
CO-T1480	Innovative Experiences to Extend the School Day and Improve 21st Century Skills	2018	TCP	13.9	13.9 (100.0%)	**1.2**
Transportation and Logistics						
CO-T1393	Support for the Structuring, Implementation, Management, and Sustainability of the Metro of Bogota First Line (PLMB) during the Pre-Contractual and Contractual Stages of the Project	2018	TCP	500	57.7 (11.5%)	**1.3**
CO-T1394	Support for Development of the Institutional Structure of the Bogota Metro	2015	TCP	498.7	498.7 (100.0%)	**1.3**
CO-T1416	Support to the preparation and implementation of the program of public private partnerships (PPP) of Colombia	2016	TCP	500	297.9 (59.6%)	**1.3**
CO-T1431	Strengthening public transport management in Bogota	2016	TCP	400	204.8 (51.2%)	**1.3**
CO-T1444	Support for the Formulation of Policy Guidelines for the Railway Sector in Colombia	2018	TCP	500	46.4 (9.3%)	**1.3**

	Public Management Effectiveness					
Country strategy strategic objectives	2.1 Support a fiscal compact to improve State revenues 2.2 Increase the quality of expenditure and public investment management capacity at all levels of government 2.3 Increase the efficiency and quality of justice					
Project name and number		**Year**	**Type**	**Approved (US$ thousands)**	**Disbursed (US$ thousands)**	**Alignment with the objectives**
Fiscal						
CO-T1432	Program for Support to the Implementation of the State-owned Enterprises Policy	2016	TCP	420	416.4 (99.1%)	**2.2**
CO-T1479	Support for the implementation of operation CO-L1227	2018	TCP	60.0	0.0 (0.0%)	**2.2**
Institutional Strengthening						
CO-T1379	Program to Strengthen the Capacities of Pacific Region Youth Leaders	2015	TCP	119.8	119.8 (100%)	**G**
CO-T1404	Support for the Adaptation and Implementation of the Cure Violence Model in Cali	2016	TCP	625.7	233.2 (37.3%)	**2.3**
CO-T1454	Support for Colombia to Develop Modern Governance of Public Security for the Post-Conflict Stage	2018	TCP	450	30.0 (6.7%)	**2.3**
CO-T1473	Colombian Women Building the Future	2017	TCP	100	16.0 (16.0%)	**G**
Urban Development						
CO-T1410	Support for the implementation and execution of the Fiscal and Public Investment and Expenditure Strengthening Program for Municipios, Decentralized Agencies, and Metropolitan Areas	2016	TCP	300	145.2 (48.4%)	**2.2**
CO-T1424	Social Inclusion and Urban Sustainability in Pescaito – Santa Marta	2016	TCP	950	806.8 (84.9%)	**2.2**
GooD Governance						
CO-T1389	Institutional Strengthening of the Office of the Comptroller General of the Republic to Improve Fiscal Control	2015	TCP	298.8	298.8 (100.0%)	**2.2**
CO-T1449	Modernization of the Attorney General's Office for Citizen Participation	2017	TCP	300	158.6 (52.9%)	**2.2**
CO-T1471	Support for Strengthening the Institutional Capacity of the Ombudsperson's Office	2018	TCP	250	96.6 (38.7%)	**2.3**

Country strategy strategic objectives	Social Mobility and Consolidation of the Middle Class					
	3.1 Continue to reduce poverty and eliminate extreme poverty					
	3.2 Reduce informality in the economy					
	3.3 Consolidate a sustainable and inclusive pension system					
	3.4 Increase equitable access to quality basic services					
Project name and number		**Year**	**Type**	**Approved (US$ thousands)**	**Disbursed (US$ thousands)**	**Alignment with the objectives**
Water and Sanitation						
CO-T1396	Support for regulation reservoir studies to mitigate effects caused by climate change	2015	TCP	964.3	964.3 (100.0%)	**CC**
CO-T1407	Support for the Comprehensive Intervention Plan for the Pacific Region of Colombia	2015	TCP	644.5	644.5 (100.0%)	**3.1, 3.4**
CO-T1417	Support for the Water and Sanitation Sector Through the Application of AquaRating in Colombia	2016	TCP	600.0	483.1 (80.5%)	**3.4**
CO-T1457	Comprehensive Development of Urban Water and Sewer Companies in Colombia	2017	TCP	15,500.0	1,584.1 (10.2%)	**3.4**
CO-T1485	Support to the Mocoa Sewer Master Plan (CO-L1232) and the National Development Plan 2018-2022	2018	TCP	300.0	4.6 (1.5%)	**3.1, 3.4**
Energy						
CO-T1408	Support to Sustainable Electrification under the Comprehensive Plan for the Pacific	2015	TCP	500.0	370.8 (74.2%)	**3.1, 3.4**
CO-T1411	Public Policy to Address Barriers to Renewable Energy Solutions in NIZ	2016	TCP	477.0	310.4 (65.1%)	**CC**
CO-T1438	Support for the National Program to Ensure a Sustainable and Efficient Energy Supply	2018	TCP	300.0	31.5 (10.5%)	**3.4, CC**
CO-T1453	CANEF - Colombia Phase I: Comprehensive Support for the Extractive Sector	2017	TCP	690.0	674.5 (97.7%)	**CC**
CO-T1470	Supporting the Caribe Energy Efficiency Program	2018	TCP	400.0	28.0 (7.0%)	**CC**
CO-T1482	CANEF - Colombia Phase II: Comprehensive Support for the Extractive Sector	2018	TCP	550.0	117.9 (21.4%)	**CC**

Social Protection and Health						
CO-R1002	Fee-based Advisory and Knowledge Services between the National Development Project Fund (FONADE) and the IDB	2017	FFS	100	N/A	**3.1**
CO-T1356	Support for the Deepening of the Reforms of the General Social Security System	2015	TCP	400	304.5 (76.1%)	**3.3**
CO-T1388	Support for the Development of a Social and Productive Inclusion Policy	2015	TCP	200	189.4 (94.7%)	**3.3**
CO-T1405	Red Sentir. Youth Awareness	2015	TCP	414	408.6 (98.7%)	**3.1**
CO-T1418	Support for Social Subsidy Reform	2017	TCP	250	97.4 (39.0%)	**3.4**
CO-T1419	Support for Quality Management of Child Development Services in Colombia	2016	TCP	500	337.9 (67.6%)	**3.4**
CO-T1433	Redesign of the Family Support Program of the Office of the District Secretary for Social Integration in Bogota	2017	TCP	100	33.3 (33.3%)	**3.1**
CO-T1435	Support for the Design of the Health Services Network in Bogota	2017	TCP	100	49.4 (49.4%)	**3.3**
CO-T1452	Quantifying Female Demand for Flexible Working Hours in the Labor Market in Bogota	2017	TCP	150	78.9 (52.6%)	**3.4, G**
CO-T1467	Redesign of the Family Support Model to Promote Early Childhood Development	2017	TCP	500	16.9 (3.4%)	**3.4**
CO-T1472	Transfer of Public-Private Knowledge to Improve Institutional Performance	2018	TCP	150	0.0 (0.0%)	**3.2**
CO-T1478	Support to Improve Efficiency in the Management of the Health System of Valle del Cauca	2018	TCP	150	0.0 (0.0%)	**3.3**

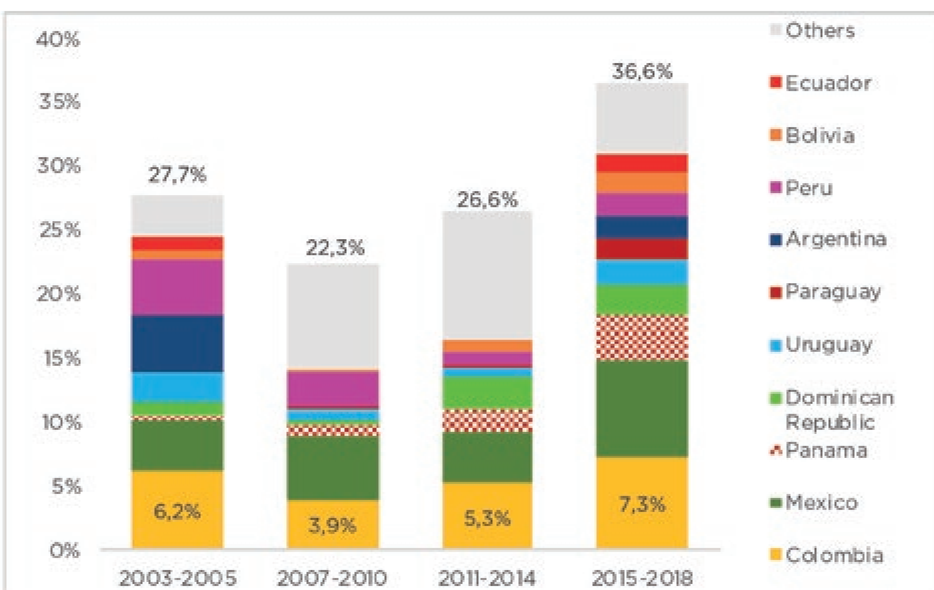
INSTRUMENT USE

Table A1.3. The 10 countries with the largest shares of PBLs, 2015-2018

	PBL Approvals	
Country	Share of loan portfolio (%)	Amount (US$ million)
Colombia	75	2,950
El Salvador	61	350
Jamaica	61	465
Dominican Republic	57	1,000
Guatemala	54	250
Panama	53	1,400
Urugya	52	747
Mexico	51	3,050
Peru	49	700
Paraguay	43	700

Source: OVE, with information from the Data Warehouse

Figure A1.1. Approved PBLs as a percentage of the entire IDB portfolio



Source: OVE, with information from the Data Warehouse.

Table A1.4. Approved technical-cooperation operations, by country, 2015-2018

Country	Approved technical cooperation operations	
	Amount (US$ million)	Number
Colombia	57	67
Brazil	27	53
Ecuador	25	65
Mexico	25	52
Peru	24	43
Bolivia	23	63
Paraguay	21	49
Panama	18	48
Argentina	18	42
Honduras	17	47
Uruguay	15	51
Nicaragua	15	32
Guatemala	14	30
Chile	10	31
El Salvador	10	33
Haiti	10	26
Dominican Republic	10	29
Guyana	9	19
Costa Roca	8	28
Jamaica	8	26
Belize	7	21
Suriname	6	16
Bahamas	5	11
Barbados	3	12
Venezuela	3	7
Trinidad and Tobago	3	8
IDB	389	909

Source: OVE, with information from the Data Warehouse

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