



Program Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 12-Aug-2021 | Report No: PIDA31921



BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Colombia	P176505	Colombia: Social and Economic Integration of Migrants DPF (P176505)	
Region	Estimated Board Date	Practice Area (Lead)	Financing Instrument
LATIN AMERICA AND CARIBBEAN	30-Sep-2021	Social Sustainability and Inclusion	Development Policy Financing
Borrower(s)	Implementing Agency		
Republic of Colombia	Departamento Nacional de Planeación, Ministerio de Hacienda y Crédito Público		

Proposed Development Objective(s)

The PDO for the operation is to support the social and economic integration of migrants from Venezuela in host areas.

Financing (in US\$, Millions)

SUMMARY

Total Financing	500.00
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DETAILS

Total World Bank Group Financing	500.00
World Bank Lending	500.00

Decision

The review did authorize the team to appraise and negotiate



B. Introduction and Context

Country Context

1. **Colombia has set new standards in its response to the unprecedented migration from Venezuela, introducing some of the most progressive, innovative, and comprehensive solutions in the world.** After Syria, migration from Venezuela is the second-largest active displacement crisis in the world. An estimated 5.6 million people have fled Venezuela, need international protection, and are considered a refugee-like population.¹ Since 2015, Colombia has led the creation of exemplary, open policies for the social and economic integration of Venezuelan migrants. These include: (i) issuing work, transit and stay permits; (ii) extending access to health, education, social programs, and housing subsidies; (iii) investments that benefit both host and migrant communities; and (iv) protection of vulnerable populations, including against human trafficking, and services to children and adolescents. The approval of the Temporary Protection Status (TPS) in March 2021 – supported by this proposed operation – will extend temporary protection status for Venezuelan migrants for 10 years.

2. **The long-term economic benefits of migration to Colombia (0.7 to 0.9 GDP average annual growth rate) have the potential to outweigh the short-term costs (0.4 to 0.5 percent of annual GDP).** Economic benefits result from an upswing of investment and consumption associated with migration. Venezuelan migrants are on average younger than the Colombia population, bringing demographic benefits. Additional productivity gains due to higher education levels among Venezuelan migrants – particularly as they are integrated into the formal job market – may eventually translate into macroeconomic gains.

Relationship to CPF

3. **The proposed operation is aligned with the Country Partnership Framework (CPF) 2016-2021 for Colombia² and the Performance and Learning Review (April 23, 2019).** The operation is aligned with *CPF Pillar 1: Fostering Balanced Territorial Development*, through support for measures that strengthen the financial capacity of border and host areas impacted by the influx of migrants from Venezuela. The proposed DPF operation is also aligned with *CPF Pillar 2: Enhancing Social Inclusion and Mobility through Improved Service Delivery* through support for measures that expand access to social, protective, and economic services to migrants from Venezuela. The DPF is fully aligned with the approach set out in the World Bank Group's paper 'World Bank Group COVID-19 Crisis Response Approach Paper – Saving Lives, Scaling-Up Impact and Getting Back on Track'. Specifically, policies and programs supported under this DPF are consistent with Pillars 2 (Protecting Poor and Vulnerable People) and 4 (Strengthening Policies, Institutions and Investments for Rebuilding Better) of this Approach Paper.

C. Proposed Development Objective(s)

The PDO for the operation is to support the social and economic integration of migrants from Venezuela in host areas.

Key Results

4. **The proposed stand-alone Colombia: Social and Economic Inclusion of Migrants (DPF) operation, for USD 500 million, aims to support the social and economic integration of migrants from Venezuela in host areas.** Through actions supported under Pillar 1, an estimated 1.1 million Venezuelan migrants are expected to have their TPS approved by 2023. Also, 700,000 Venezuelan migrants are expected to register in the Health General System of Social Security (SGSSS) and 38 percent of temporary stay permits holders (PEP/PET) to register in the National System for Identification of Potential Social Program Beneficiaries (SISBEN). This Pillar also supports the creation of an interoperable data sharing protocol between migrant registries, SISBEN, SGSSS, the Transactional Affiliation System (SAT), and the Education's Enrollment

¹ Situation Response for Venezuelans (R4V), as of August 6, 2021.

² <http://documentos.bancomundial.org/curated/es/940691468184792587/pdf/101552-CPF-P155964-R2016-0053-IFC-R2016-0054-MIGA-R2016-0014-Box394872B-OUO-9.pdf>



Integrated System (SIMAT). The creation of the financial program set under Prior Action 4 will enhance economic and climate resilience of municipalities hosting migrants, through access to contingent lines of credit and an expanded guarantee ceiling in the event of climate-induced shocks and disasters. Pillar 2 supports the adoption of policies, decrees, and resolutions that grant Venezuelans with access to critical services, including COVID-19 vaccines for an estimated 1.1 million Venezuelan migrants, and housing subsidies to an estimated 7,500 households with at least one Venezuelan member. Amongst other measures, the Pillar includes actions to address migrant-specific vulnerabilities, including a measure for the protection of human trafficking victims, and expanded access to services for children and adolescents in 85 percent of municipalities prioritized by the Government Strategy for the Attention to the Migration from Venezuela (CONPES 3950).

D. Project Description

5. **The reforms supported in this DPF represent a policy shift from short-term to longer-term responses, organized in two pillars. Pillar 1 supports the legal and institutional basis for the protection and social and economic integration of migrants.** This pillar supports the approval of TPS for Venezuelan migrants and the Integral Migratory Policy, allowing migrants to transition from an emergency and transitory migratory regime to a regular one. To operationalize TPS, the GoC has created the Single Registry of Venezuelan Migrants (RUMV) to facilitate identification, socioeconomic data collection, and targeting of education, health, and social protection programs. The pillar also supports measures to enhance the economic and climate resilience of municipalities hosting migrants, through expanded access to credit in the event of disasters. The creation of migration roundtables allows for coordinated responses and strengthens social resilience in host communities. **Pillar 2 improves access and quality of services for migrants.** This Pillar supports policies, decrees, resolutions that grant access for Venezuelans to critical services. This Pillar also include actions to address migrant-specific vulnerabilities, protection of human trafficking victims, children, and adolescents.

E. Implementation

Institutional and Implementation Arrangements

The Ministry of Finance will be responsible for reporting the monitoring information related to program implementation and progress towards the achievement of results. The National Planning Department (DNP), with the support from the Presidential Border Management Office (*Gerencia de Frontera*), *Migración Colombia*, and the Ministry of Foreign Affairs, will be responsible for coordinating actions and monitoring and evaluating progress on all Prior Actions in this operation. Other participating ministries, sub-national governments and agencies are: Presidential Council Unit for Results (*Consejería Presidencial de Resultados*); Ministry of Health and Social Protection; Ministry of Housing, City and Territory; Ministry of Education; Ministry of Interior; Ministry of Labor; the Colombian Institute for Family Welfare (ICBF); and the Arauca, Cartagena, and Santander Migration Governance Roundtables.

F. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

Poverty and Social Impacts

6. **This DPF supports actions that are expected to have positive direct effects on reducing poverty and inequality in the short, medium, and long term, from the improved economic and social integration of Venezuelan migrants.** Through an enhanced regulatory framework (Pillar 1), reforms under this program are expected to have direct positive implications on the wellbeing of this population. Prior Action 3 is expected to contribute to better decision making, while Prior Actions 4 and 5 strengthen the institutional arrangements for a more coordinated and effective response between the national and subnational levels. Measures supported by Pillar 2 are expected to have direct short- to medium-term



positive impacts by increasing access to specific services and economic opportunities and reducing vulnerabilities of migrant households. Prior Actions 6 and 7 are expected to promote capital accumulation among migrants, increasing their income-generating ability and thus reducing poverty and promoting equality. Prior Action 8 improves institutional coordination in the prevention of human trafficking and addresses children's and adolescents' vulnerabilities.

Environmental, Forests, and Other Natural Resource Aspects

7. **The environmental analysis found that Prior Actions 4 and 7 have potential positive indirect effects on Colombia's environment, forests, or natural resources.** Prior Action 4 may allow territorial entities to respond on time to disasters. Prior Action 7 expands the eligibility of rental housing subsidies to Venezuelan migrants, addressing environmental issues related to informal housing. **Prior Action 6 has Low potential environmental negative impacts.** Key mitigation measures include: the creation of inter-ministerial agendas, led by the Ministry of Environment and Sustainable Development (MADS); issuing operational technical guidelines for the administration of COVID-19 vaccines including for the migrant population; and ensuring sufficient trained staff and procedures are in place on border areas to strengthen hospital waste management. **For Prior Actions 1, 2, 3, 4, 5, 7 and 8 no potential positive or negative environmental impacts and risks have been identified.**

G. Risks and Mitigation

8. **The overall risk of the proposed operation is assessed as Substantial.** *Macroeconomic risk* is rated as substantial given: (i) continuing uncertainty about the long-term economic effects of the COVID-19 crisis; (ii) the possibility of an uneven speed of vaccination both in Colombia and around the world; and (iii) uncertainty around the medium-term fiscal framework. The materialization of exogenous shocks and uncertainty about fiscal normalization could directly affect Colombia's short and medium-term growth prospects and erode the fiscal capacity to support inclusive policies towards migrants. *Political and governance risk* is rated as substantial. While the reforms supported by the operation are within the framework of CONPES 3950 – thereby conferring strong ownership across the government – there is potential for a reversal of inclusive public policies towards migrants against a backdrop of continuing, arguably rising xenophobia towards migrants. *Institutional capacity for implementation and sustainability risk* is rated as substantial. The consolidation and full implementation of the policy program under the framework of TPS regulation will require broad coordination across government and a continuity of institutional effort over the ensuing 24 months. While the government has effective coordination and management mechanisms in place, further formalization of this institutional framework is required. Additionally, the sectoral ministries and agencies responsible for key aspects of the policy framework will be challenged to dedicate sufficient, consistent institutional bandwidth to migration policy given parallel population-wide policy priorities, e.g., Ministry of Health on vaccination from COVID-19 and the Department of Social Protection (DPS) on the aggressive rollout of social protection benefits to all Colombians to mitigate the impacts of COVID-19. Lastly, *stakeholder risk* is rated as substantial, given the potential for significant regional pockets of resistance to inclusive migration policies both in large cities and in border areas with a disproportionate incidence of migrants from Venezuela.

CONTACT POINT

World Bank

Paula Andrea Rossiasco Uscategui, Taimur Samad
Senior Social Development Specialist



Borrower/Client/Recipient

Republic of Colombia

Implementing Agencies

Departamento Nacional de Planeación
Natalia Bargans
Subdirectora de Credito
nbargans@dnp.gov.co

Ministerio de Hacienda y Crédito Público
Lina Mondragón
Subdirector Administrativo
Lina.Mondragon@minhacienda.gov.co

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Paula Andrea Rossiasco Uscategui, Taimur Samad
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Approved By

Country Director:	Ulrich Zachau	15-Apr-2021
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