



March 31<sup>st</sup>, 2021

### NATIONAL REPORT ON THE PROGRESS IN THE IMPLEMENTATION OF THE NEW URBAN AGENDA

### MINISTRY OF HOUSING AND CITIES, COLOMBIA

#### TRANSFORMATIVE COMMITMENTS

• SUSTAINABLE URBAN DEVELOPMENT FOR SOCIAL INCLUSION AND ENDING POVERTY

#### Social inclusion and ending poverty Items

#### 1. Eradicate poverty in all its forms

In the last two decades, there has been an accelerated reduction of monetary poverty (mainly due to the growth in per capita income) and multidimensional poverty in Colombia. Nevertheless, territorial disparities and disparities among different population groups persist.

One of the global mandates represented in the Sustainable Development Goals adapted by the Colombian Government (CONPES 3918/2018) is to eradicate the extreme poverty and reduce by half poverty in all its forms. The National Development Plan 2018-2022 establishes that it is necessary to advance in equal opportunities through differentiated attention in the lagging areas and strengthen the mechanisms that contribute to the reduction of poverty, thus the following objectives are established: (1) recover the institutional framework and coordination of the poverty reduction strategy; (2) redesign and update the targeting mechanisms of social programs; (3) redesign the conditional cash transfer programs and the network for overcoming the extreme poverty (UNIDOS Network); (4) formalize and regularize the creation and redesign of social subsidies; and (5) create spaces for public policy coordination and formulate affirmative poverty reduction strategies for the most lagging territories

In order to accomplish these objectives, Prosperidad Social as the responsible entity at the national level for designing, coordinating and implementing public policies to overcome poverty and social equity, together with other national entities as DNP and Minhacienda, has developed the following strategies:

# 1. Recover the institutional framework, coordination and monitoring the poverty reduction strategy

Comitee for Equity "Mesa de Equidad"

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The acceleration of the reduction of poverty and inequality based on the strategies requires a high-level and decision-making body summoned by the President of the Republic, to coordinate sectors and National Government entities in the design and implementation of actions, and in the allocation of resources.

#### a. Route of Overcoming Poverty

The objective of the Route is to increase the opportunities for social and productive inclusion of households living in poverty. To do so, Prosperidad Social brings closer to households the different programs of the national level in coordination with the territorial governments. In this way, it is expected, among others, to promote access to health, care and education services, to strengthen entrepreneurship and to improve living conditions and productive infrastructure, contributing to the generation of income.

#### 2. Redesign and update the targeting of social programs

In march 2021, the National Planning Department launched SISBEN IV, a tool designed with methodological, technological and operational improvements. In 2021 Prosperidad Social will adjust and update criteria for targeting population using SISBEN IV as a tool to analyze and prioritize population with social and productive exclusions.

### 3. Redesign the conditional cash transfer programs and the network for overcoming the extreme poverty (UNIDOS)

Prosperidad Social redesigns conditional cash transfer CCT programs as Familias en Acción and Jóvenes en Acción, as well as UNIDOS in order of increase the social protection system, adjust to the poverty situation, increase financial inclusion and include recommendations of impact evaluations.

#### 4. Formalize and regularize the creation and redesign of social subsidies

In order to unify the guidelines for the creation and operation of subsidies that improve their quality in terms of efficiency and results compared to beneficiary population, the National Planning Department (DNP) develops of a protocol as a guiding tool to standardize the formulation of existing social subsidies and those in the process of design.

### 5. Create spaces for public policy coordination and formulate affirmative poverty reduction strategies for the most lagging territories.

Within the framework of the "Mesa de Equidad", its members will define the social offer, targeting strategy and articulation for Chocó, La Guajira, Buenaventura and San Andrés de Tumaco, in order to guarantee the efficient concurrence of programs. In the case of Chocó and La Guajira such coordination will emphasis on the food and nutritional security strategy.

#### 6. Additional actions of the National Government

The challenge of accelerating poverty reduction remains simultaneously with the emergence of new challenges as COVID-19. For that reason, in 2020 the National Government creates two new unconditional cash transfer programs to cope with households affected by the social and economic effects of the pandemics:

i. Ingreso Solidario (Solidary Income) (3 millon households, \$ 515 million USD) and

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ii. Compensación del IVA (Value Added Tax compensation) (1 million households, \$97 million USD),

Also, there was a relocation of the program Colombia Mayor for elderly, from the Ministry of Labour to Prosperidad Social Department, in order to centralize all cash transfers in one single entity and therefore improve efficiency.

#### 2. Address inequality in urban areas by promoting equally shared opportunities and benefits

During the last 12 years, the estimated total population in Colombia grew by 6.2 million people, from 43.2 million in 2008 to 49.4 million in 2020, and the working-age population grew by 6.3 million people, with an interannual growth rate of 1.3%. The percentage of the working-age population went from 77.8% in 2008 to 80.6% in 2020. For its part, the labour force maintained a year-on-year growth rate of 1.4% with an absolute increase of 3.9 million people between 2008 and 2019; In this period, the participation rate went from 58.5% in 2008 to 63.3% in 2019. The generation of employment between 2008 and 2019 was approximately 4.8 million new jobs; however, in the last year an absolute loss of 179 thousand jobs was observed. The occupancy rate went from 51.9% in 2008 to 56.6% in 2019.

The unemployed population showed a decreasing behaviour between 2008 and 2014; This period coincides with the sustained reduction in the unemployment rate, which went from 11.3% in 2008 to 9.1% in 2014. Between 2015 and 2019, the unemployed population increased by 464 thousand people. For its part, the unemployment rate went from 8.9% in 2015 (this being the lowest unemployment rate in the period analysed) to 10.5% in 2019.

2020 was characterized as a year of absolute decline in the main indicators of the labour market as a result of the impact of the Covid-19 pandemic. The unemployment rate increased by 5.4 percentage points in relation to that observed in 2019 and became the highest figure since 2002 (15.6%). The total number of unemployed increased by 1 million 141 thousand people and around 2 million 444 thousand jobs were destroyed.

The population groups most affected by this situation were young people (between 14 and 28 years old) and women who saw their unemployment rates increase by 6.4 pp. and 6.8 pp., respectively compared to 2019 (See Table 1). One of the main consequences of this situation was the widening of the gaps in the unemployment rates of these two population groups. The gap between the youth unemployment rate and the total unemployment rate increased by 8.2 pp., indicating a reversal to the gap that was in 2010. And, the gap between female and male unemployment rates widened by 7.7 pp.

Total national. Unemployment rate of young people (14-28 years old) y of men and women. Annual Average 2008-2020

Year	Youth	Men	Women	Gap 1	Gap 2
2008	19.5	8.9	14.8	8.2	5.9
2009	20.1	9.3	15.8	8.1	6.5
2010	19.9	9.0	15.6	8.2	6.6
2011	18.6	8.2	14.4	7.8	6.2
2012	17.7	7.8	13.7	7.3	5.9
2013	16.4	7.4	12.7	6.8	5.3

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2014	15.8	7.0	11.9	6.7	4.9	
2015	15.2	6.7	11.8	6.2	5.1	
2016	15.9	7.1	12.0	6.7	4.9	
2017	16.1	7.2	12.3	6.7	5.1	
2018	16.9	7.4	12.7	7.2	5.3	
2019	17.7	8.2	13.6	7.2	5.4	
2020	24.2	12.7	20.4	8.2	7.7	

Fuente: DANE-GEIH

During 2008 and 2020, it is observed that the five cities with the highest unemployment rates for women were Quibdó, Riohacha, Ibagué, Cúcuta and Armenia. For their part, the five cities with the lowest unemployment rates were Bucaramanga and Metropolitan area., Bogotá, Barranquilla - Soledad, Pasto and Tunja.





Cities and Área metropolitana	20 08	20 09	20 10	20 11	20 12	20 13	20 14	20 15	20 16	20 17	20 18	20 19	20 20
menopolitaria	28.	23.	22.	24.	22.	23.	19.	20.	22.	20.	23.	25.	28.
Quibdó	20. 3	23. 4	22. 9	24. 3	22. 3	23. 4	19.	20. 3	22. 5	20. 6	23. 5	25. 3	20. 1
	18.	- 19.	20.	21.	18.	- 17.	י 18.	18.	18.	18.	19.	19.	26.
Armenia	9	2	3	3	7	8	5	2	6	1	5	7	0
	23.	20.	19.	20.	, 15.	16.	15.	14.	15.	15.	15.	, 18.	27.
Ibagué	8	2	6	0	3	5	0	8	5	1	6	5	9
Diskaska	23.	19.	16.	16.	16.	13.	13.	13.	17.	18.	18.	20.	27.
Riohacha	9	7	9	6	8	4	4	9	9	2	9	1	9
Popayán	25.	21.	20.	20.	20.	17.	15.	13.	14.	13.	12.	13.	24.
rupayan	4	9	7	6	9	8	2	9	8	2	2	8	7
Cúcuta y AM	11.	14.	16.	18.	19.	18.	17.	16.	17.	18.	19.	17.	26.
	9	2	2	4	1	2	4	6	2	8	0	8	5
Pereira y AM	15.	24.	23.	19.	18.	15.	15.	13.	13.	11.	11.	10.	19.
r orona y / im	5	1	4	5	2	5	7	4	6	3	3	4	3
Valledupar	15.	14.	15.	14.	13.	13.	12.	13.	15.	17.	19.	20.	26.
	8	2	4	8	3	1	1	4	1	1	3	7	7
Cali - Yumbo	14.	16.	15.	17.	16.	16.	15.	14.	12.	14.	14.	14.	24.
	1	0	4	9	3	7	4	0	8	5	4	7	2
Sincelejo	15.	16.	15.	18.	14.	14.	13.	13.	14.	13. 3	14.	16. 5	25.
	8 12.	2 13.	9 15.	3 15.	8 14.	4 14.	0 14.	0 13.	4 14.	ა 13.	1 16.	5 18.	1 27.
Florencia	12. 6	13. 6	15. 9	15. 9	14. 6	14. 0	14. 9	13. 3	14. 2	13. 7	10. 1	10. 1	27. 6
	0 15.	20.	9 18.	9 16.	0 15.	0 14.	9 11.	3 10.	2 13.	, 14.	12.	17.	23.
Montería	2	20.	6	6	3	0	8	4	0	5	4	0	23.
	2 18.	<u>_</u> 13.	13.	14.	14.	14.	15.	- 13.	13.	12.	- 12.	16.	24.
Santa Marta	1	8	1	1	0	2	0	8	5	1	2	4	2 5
	16.	16.	17.	15.	14.	_ 13.	11.	11.	12.	13.	_ 13.	13.	22.
Manizales y AM	8	8	8	3	0	5	7	4	0	7	3	8	8
NU 1	15.	15.	14.	12.	13.	13.	11.	11.	12.	12.	12.	14.	28.
Neiva	7	9	0	9	7	2	8	5	0	1	6	6	6
	15.	17.	16.	14.	14.	12.	11.	11.	12.	12.	13.	14.	20.
Medellín y AM	6	4	1	3	2	7	7	8	6	5	6	1	6
Villavicencio	12.	12.	14.	13.	13.	12.	12.	11.	13.	13.	13.	14.	23.
VIIIaVICENCIO	9	6	0	7	4	6	3	3	0	9	6	4	4
Cartagena	16.	18.	15.	14.	13.	13.	10.	10.	11.	12.	11.	9.2	18.
Callayena	9	6	8	5	3	3	9	7	9	4	8		8
Pasto	13.	17.	17.	15.	13.	12.	11.	11.	11.	12.	10.	12.	19.
1 4510	7	6	2	6	2	0	7	9	6	1	5	0	0
Tunja	14.	14.	13.	12.	12.	13.	12.	11.	11.	11.	12.	13.	21.
-	0	5	6	5	9	0	5	4	5	5	9	4	4
Barranquilla -	14.	14.	12.	11.	11.	11.	11.	12.	11.	11.	11.	10.	16.
Soledad	2	0	4	2	7	1	0	0	3	6	8	8	2
Bogotá	11.	12.	12.	11.	11.	10.	10.	10.	10.	11.	11.	12.	20.
-	5	7	2	3	2	6 11	3	2	1	3	6	3	9 10
Bucaramanga y	10.	10.	12.	10.	12.	11.	9.6	9.1	9.8	9.5	9.4	11.	18.

#### Unemployment rate of women by cities and metropolitan area. Annual average 2008-2020

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#### AM 7 7 0 3 2 2 8 6 Fuente: DANE-

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During the studied period, the largest gaps between the unemployment rates of women and men were identified in the cities of Quibdó (9.6 pp.), Riohacha (8.6 pp.), Sincelejo (7.8 pp.), Santa Marta (7.7 pp.) And Valledupar (6.6 pp.). And the smallest gaps occurred in the cities of Bogotá (2.8 pp.), Villavicencio (2.8 pp.), Pasto (2.8 pp.), Bucaramanga and the Metropolitan Area. (2.5 pp.), Neiva (2.4 pp.) And Tunja (2 pp.) Which, on average, are practically three times lower than those of the cities with the largest gaps.

#### Gaps between the unemployment rates of women and men by cities and metropolitan areas. Annual average 2008-2020

						•							
Cities and Área metropolitana	20 08	20 09	20 10	20 11	20 12	20 13	20 14	20 15	20 16	20 17	20 18	20 19	20 20
Quibdó	9.9	7.9	9.9	10. 7	8.7	9.5	8.4	9.6	9.2	8.1	10. 3	9.8	13. 0
Riohacha	10. 8	9.8	9.0	10. 8	7.8	5.9	6.4	5.7	8.9	7.9	8.9	9.1	10. 5
Sincelejo	7.7	7.8	7.7	9.4	7.4	7.2	6.2	7.5	7.8	7.0	8.3	8.5	8.9
Santa Marta	7.8	5.9	6.8	7.0	7.2	7.8	8.6	8.5	7.2	7.4	6.8	8.1	11. 5
Valledupar Cartagena Montería Armenia	4.7 8.5 4.5 5.8	5.2 9.6 8.6 2.7	6.0 7.6 6.1 4.7	5.9 7.3 6.2 7.3	5.4 6.4 5.4 6.1	5.9 6.1 6.1 4.4	4.9 4.8 5.7 6.6	6.8 3.7 5.4 6.6	5.9 5.3 5.8 6.8	7.6 5.9 6.4 7.0	8.5 5.4 4.5 7.1	8.8 4.1 7.7 6.6	9.7 7.4 7.7 6.0
Barranquilla - Soledad	5.4	5.9	5.6	5.2	6.0	5.6	5.5	6.1	5.6	6.2	6.1	5.4	6.8
Ibagué Cali - Yumbo Cúcuta y AM Pereira y AM Popayán	8.5 3.8 4.6 3.0 6.2	5.9 4.6 4.0 6.8 4.2	3.8 3.1 3.2 5.2 4.6	5.5 4.7 5.6 5.1 5.9	3.8 3.8 5.9 4.0 6.3	5.3 4.6 4.8 3.1 4.1	3.2 4.3 4.3 3.7 3.5	4.0 4.7 3.3 3.8 3.9	4.5 3.9 3.2 5.0 3.8	4.1 5.0 5.3 4.1 2.4	2.6 5.5 4.9 4.1 2.5	4.1 4.3 3.6 2.9 2.6	4.3 7.1 4.9 3.8 3.1
Florencia	- 0.3	1.3	4.5	3.9	3.3	3.1	4.0	3.4	3.9	3.0	5.4	4.3	7.3
Manizales y AM Medellín y AM Bogotá Villavicencio	4.1 3.7 2.8 3.6	2.8 3.3 2.3 2.4	2.6 4.2 2.9 3.8	3.7 3.9 3.4 3.8	3.2 3.4 3.2 2.9	3.6 2.9 3.0 2.4	2.5 2.7 3.1 1.5	3.3 2.2 2.8 1.4	3.0 3.6 1.6 1.9	4.6 3.1 1.5 2.9	3.7 3.5 2.1 3.1	3.3 3.5 2.6 2.6	5.2 4.5 4.9 3.8
Pasto	- 0.8	1.3	2.3	4.0	1.8	2.5	2.5	3.7	4.1	4.8	2.9	2.6	4.2
Bucaramanga y AM	2.5	2.6	3.2	2.1	4.5	3.7	2.7	2.3	2.4	1.9	1.2	1.9	1.8
Neiva Tunja	3.3 3.3	2.8 2.4	2.0 0.7	2.2 1.1	3.0 2.0	2.4 1.7	2.2 1.9	1.0 1.9	1.8 1.9	1.1 2.4	1.9 3.2	2.9 2.1	4.5 1.4
Fuente: DANE-													

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Among young people between 18 and 28, the highest unemployment rates were observed in the cities of Popayán (27.4%), Armenia (25.1%), Ibagué (25.1%), Quibdó (25%) and Cúcuta and Metropolitan Area. (22.9%). For their part, the lowest unemployment rates were found in the cities of Pereira and the metropolitan area. (22%), Villavicencio (19.1%), Barranquilla - Soledad (18.5%), Bogotá (16.8%) and Bucaramanga and Metropolitan Area. (16.4%).

					-	20							
Cities and Área	20	20	20	20	20	20	20	20	20	20	20	20	202
metropolitana	08	09	10	11	12	13	14	15	16	17	18	19	0
Denovén	36.	32.	33.	30.	30.	28.	23.	21.	21.	22.	19.	21.	34.
Popayán	1	9	2	3	6	6	8	1	7	1	3	9	0
A man a mia	25.	28.	27.	26.	24.	24.	24.	22.	23.	21.	23.	23.	31.
Armenia	9	4	6	7	3	2	2	5	0	7	6	5	3
lhoguá	30.	27.	27.	26.	21.	20.	21.	20.	21.	21.	23.	26.	37.
Ibagué	0	1	1	7	2	9	1	8	9	8	3	8	4
Quibdó	31.	26.	24.	24.	23.	25.	21.	21.	23.	22.	27.	26.	26.
Quidao	3	1	0	9	2	8	5	2	4	2	9	8	9
	14.	18.	21.	24.	24.	23.	23.	20.	22.	24.	24.	24.	31.
Cúcuta y AM	5	3	4	6	7	6	2	8	9	0	6	0	2
Mantaría	22.	27.	26.	23.	21.	20.	18.	14.	18.	21.	19.	22.	30.
Montería	0	8	4	5	2	8	3	8	8	8	2	0	5
Florencia	20.	20.	24.	22.	20.	20.	20.	18.	19.	18.	19.	25.	34.
FIOTENCIA	9	5	2	9	6	3	9	4	4	6	5	9	5
Dereire v AM	22.	29.	30.	26.	25.	22.	21.	18.	18.	15.	16.	14.	25.
Pereira y AM	1	4	4	5	0	1	7	8	0	1	2	8	9
Deete	24.	29.	27.	23.	20.	18.	19.	18.	17.	17.	18.	19.	28.
Pasto	8	9	0	9	6	7	4	1	1	1	2	8	0
Coli Vumbo	18.	21.	22.	25.	24.	23.	22.	19.	18.	19.	18.	20.	29.
Cali - Yumbo	7	2	1	3	0	7	1	3	6	9	4	0	0
Manizales y Villa	24.	24.	27.	21.	20.	19.	17.	16.	17.	19.	18.	19.	30.
María	6	7	2	6	5	4	6	5	7	1	9	7	1
Sincoloio	20.	21.	22.	25.	19.	19.	18.	17.	19.	18.	19.	21.	32.
Sincelejo	5	7	7	2	7	5	9	0	3	7	6	8	2
Neiva	21.	22.	21.	18.	19.	20.	18.	17.	17.	18.	19.	20.	36.
Ineiva	4	8	2	7	8	3	1	3	9	8	9	8	6
Valledupar	21.	18.	20.	20.	18.	17.	17.	16.	20.	21.	24.	25.	31.
valleuupai	6	5	4	1	1	2	5	6	1	0	5	3	9
Riohacha	26.	22.	19.	17.	19.	16.	15.	17.	20.	21.	20.	22.	31.
RIUNACIA	2	0	8	4	7	3	6	8	9	6	6	6	0
Tunio	21.	22.	22.	20.	19.	19.	19.	16.	17.	16.	18.	20.	31.
Tunja	3	3	3	4	8	5	7	2	2	8	8	6	7
Cartagena	23.	25.	23.	21.	19.	20.	17.	17.	18.	18.	18.	15.	27.
Cartagena	8	1	1	2	4	1	6	6	8	1	7	1	9
Modellín v AM	23.	24.	22.	20.	19.	17.	16.	17.	17.	18.	19.	18.	26.
Medellín y AM	0	6	6	7	4	4	6	7	2	2	6	9	9
Santa Marta	24.	19.	17.	19.	18.	18.	19.	16.	17.	16.	16.	21.	29.

Unemployment rate of young people by cities and metropolitan area. Annual Average 2008-2020

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Villavicencio       17.       17.       18.       18.       17.       18.       18.       16.       17.       20.       18.       19.         Barranquilla       -       21.       21.       19.       18.       18.       17.       17.       17.       17.       18.       18.       19.         Borranquilla       -       21.       21.       19.       18.       18.       17.       17.       16.       16.       16.       15.         Soledad       2       7       4       7       9       1       7       7       7       3       7       6         Borrotá       16.       18.       17.       15.       15.       14.       13.       13.       14.       17.       17.       18.		5 5 6 3	4 6 9	7 8 0 1 4 6
Barranquilla       -       21.       21.       19.       18.       17.       17.       17.       16.       16.       16.       15.         Soledad       2       7       4       7       9       1       7       7       3       7       6         16       18       17.       15       14       13       13       14       17       17       18	Villavicencio			
16 18 17 15 15 14 13 13 14 17 17 18	Barranquilla		• · ·	
Bogotá 16. 18. 17. 15. 15. 14. 13. 13. 14. 17. 17. 18.	Soledad		• • •	
7 7 4 0 4 3 6 2 9 0 1 5	Bogotá			
Bucaramangay15.16.17.16.15.14.13.14.14.15.16.AM829409492694	5			

Fuente: DANE-GEIH

#### GEIH

### 3. Enhance social inclusion of vulnerable groups (women, youth, older persons and persons with disabilities and migrants)

Social inclusion refers to "the realization of rights, the participation in social life, access to education, health and care, as well as basic services infrastructure, and the availability of material resources such as income and housing" (CEPAL, 2017. p. 92)

In Colombia there is a constitutional and normative mandate to guarantee the rights of special constitutional protection subjects considering a differential focus. Complementarily, the National Development Plan establishes differential actions in order enhance the social inclusion of the most vulnerable groups.

#### i) Early childhood, childhood and adolescence

Poverty in children and adolescents occurs when they experience basic deprivations or deficiencies, which limit the exercise of their rights and impede their integral development. In consequence, strategies should focus on responding to the girls, boys and adolescents' particular cycle-life challenges, in order to strengthen their development in a comprehensive way, to promote the enjoyment of rights as well as full participation.

To promote the comprehensive development of boys and girls from pregnancy to 6-yearold; responding to their specific needs and characteristics, and contributing to the achievement of equity and social inclusion in Colombia, the National Government issued CONPES 106 de 2006 and later on in 2016 issued law 1804 for the Comprehensive Development of Early Childhood.

In 2018, the National Childhood and Adolescence Policy was adopted as to generate the conditions of well-being, access to opportunities with equity for girls, boys and adolescents in the transformation of the country.

In 2018 the National Development Plan entrusts to the Colombian Institute of Family Welfare ICBF and Prosperidad Social the design and leadership of the strategy to overcome poverty of childhood (0-17 years old) that will link coordinated actions to overcome poverty.

#### ii) Youth

In order to support the construction of the life project of young people from their childhood, the National Government works in the development of a childhood to youth transition strategy that se: i. Guarantee the transit of young people from secondary education to



higher, technical and technological levels, in order to promote social mobility and to closing of gaps, ii. Promotes the productive inclusion of young people, iii. Implements a strategy aimed at young people to develop activities to strengthen their life-project, socio-emotional skills, innovation and leadership and iv. strengthen the institutional framework to promote the social, economic and political inclusion of youths.

#### iii) Women

The National Development Plan 2018-2022 commands the design of a national policy of public care system that contemplates gender equality for women in the distribution of care tasks- This implies encouraging social and cultural transformations that contribute to reducing the burden of care that falls mainly on women. This policy must generate articulation guidelines for the available programs at the territorial level with a gender perspective for women.

#### iv) Persons with disability PwD

In order to improve the institutional framework and governance of the National System of Disability, the National Government works on the following: i. Updating and implementing actions of the Public Policy National Disability and Social Inclusion 2013-2022 (PPDIS), to ensure social inclusion and productive capacity of PwD, based on affirmative actions and reasonable adjustments, and eliminating all forms of discrimination; ii. implementing inclusive education programs oriented to an effective social and productive inclusion of the PwD; vi. Implement productive inclusion mechanisms to provide income and economic security for PwD, their families and caregivers; iv. creating and implementing a national accessibility plan that ensures the participation of PwD in equal conditions, in the physical environment, transport, information and communications, including ICT, in both urban and rural areas; v. adopting measures for the guarantee of the full recognition of rights and for the exercise of the legal capacity of PwD, and access to justice; vi. strengthen the existing offer especially in assistance and social protection programs.

#### Familias en Acción Cash-Transfer Program

Familias en Acción is the largest conditional cash-transfer program and one of the largest social programs of Colombia. It provides a conditional economic incentive to poor and extremely poor families with children and adolescents which complements their income. It is expected that this social aid contributes to the formation of human capital, social mobility as well as access to secondary and higher education programs, therefore contributing to overcoming poverty and extreme poverty and the prevention of teen pregnancy.

In the context of the promotion of social inclusion of the population with disabilities, Familias en Acción in coordination with the National Ministry of Education and Ministry of Health and Social Protection defined guidelines that allow the application of reasonable adjustments in terms of differential care for children and adolescents participating in the program. Usually Familias en Acción benefits up to 3 children per family with an economic incentive, thus the "reasonable adjustment" increases the number of beneficiaries out of the 3 children per family in order to guarantee an economic incentive for every child with disabilities that assists to school.

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In 2019 an evaluation of the program was carried out in 2019, with funding from UNICEF. Among the principal findings, a total of 40,031 children, children and adolescents with disabilities received the cash-transfer, and the program has managed to increase school enrollment of children with disabilities by 5.6% (between 2014 and 2018). Additionally, this strategy has managed to mobilize National Registry of People with Disabilities (RLCPD), making visible their situation for other entities at the national and local level.

### 4. Ensure equal access to public spaces including streets, sidewalks, and cycling lane

In Colombia, the protection of public space and its destination for common use prevail over private interests, and it is the duty of the State, enshrined in the Constitution (Article 82), which further determines that public space is inalienable, and not open to prescription or embargo (Art. 63).

With the issuance of the National Policy for Public Space (CONPES 3718/2012) <sup>1</sup>, public space acquires a decisive role in the improvement of the quality of urban life, particularly in spontaneous and informal- origin areas, in which there is a concentration of important shortages in the provision of public space.

According to the public policy document, the public space deficit in Colombia is about 3.3 m<sup>2</sup> per inhabitant with significant incidence in precarious settlements and central site, high density and urban-expansion areas. The lack of public space is largely explained by local institutional deficiencies to finance and manage of public space; lack of precision in regulatory frameworks; several weaknesses in the application of instruments for planning, lack of public-space collective appropriation, and difficulties in reconciling public and private interests in their use and utilization.

In response to these problems, the Government has made important progress in the last three decades on the issue of urban development regulations and the formulation of urban policy guidelines for the development of the component of public space. The following are among the main advances in this area:

- (i) Definition of public space and its constituent elements (Law 9/1989), and a Minimum Index of Effective Public Space - EPE- of 15 m<sup>2</sup> per inhabitant (Decree 1077/2015).
- (ii) Definition of guidelines for the provision, improvement and restitution of public space in Territorial Land Use Plans, and other territorial planning instruments, determining their location and dimensions in different scales of territory (Law 388/1997).
- (iii) Definition of basic criteria designed to avoid and suppress urbanistic and architectural barriers in the design and construction of public space, such that public space would be accessible, in particular for the population of reduced mobility.
- (iv) Development of the public space component in the Special Management and Protection Plans (PEMP) as an instrument in the management of cultural heritage, in which the there is a conception of public space as part of property of cultural interest, in Law 1185/2008).





(v) Definition of the minimal environmental regulations regarding the environment to which urban centres and human settlements, as well as mining, industrial and transport activities should be subject, which may directly or indirectly cause environmental damage (Law 99/1993).

The following progress regarding regulation, can be identified since 2016 when Colombia adopted commitments in the New Urban Agenda:

- (i) The recognition of cadastral management as a public service (Article 79, National Development Plan 2018-2021), and the introduction of the Multipurpose Cadaster; a critical condition for the formation of inventories of public space in the various territories.
- (ii) The issuance of Law 2037/2019, giving priority to the needs of boys, girls and adolescents, women, the elderly, and the disabled, for the use of public space; and the need to have a general inventory of public space and a national method for the effective measurement of qualitative and quantitative indicators and the formulation of regulatory guidelines to direct the territorial entities in its generation, recovery, use and sustainability.
- (iii) The issue of the Housing Law 2079/2020 in which the economic use of public space by third parties and private individuals is regulated.

Complementarily, the National Government has contributed to the provision of public spaces through the promotion of comprehensive housing project, and the Facilities Provision Program:

- (i) Through the implementation of the Program for the Enablement of Service land led by the Ministry of Housing, 1926 ha of land have been enabled, of which 42% of the area, or 803.56 ha, corresponds to National Social Interest Hosing Projects. In terms of public space, these projects have contributed to an increase in the areas destined for new parks and facilities, supplying a total of 385.45 ha, which in turn increased the average of public space to 4.51 m<sup>2</sup> per inhabitant.
- (ii) Similarly, through the implementation of the Facilities Program of the Ministry of Housing, City and Territory, work has been articulated with the various Government entities in the construction and equipping of collective public facilities as an integral part of social interest housing projects. These projects also consider the participation of the communities enjoying their benefits as a basic component in all stages of design and execution of a project. To date, support has been given to municipalities in the construction 8 Children's Development Centres, 13 schools, 10 schools with Children's Development Centres, 34 Sports Recreation Parks. There has also been progress in the execution of five Children's Development Centres, two schools, four schools with Children's Development Centres, and 19 Sport Recreation Parks.

Despite the major progress made in this area, there are still many challenges. It is therefore necessary to move forward in (i) the formation of a national public space

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inventory as a basis for its proper and appropriate administration; (ii) the development of concepts and indicators to recognize cultural differences particular to each territory; and (iii) the regulatory articulation of public space with other components of comprehensive urban development (environment, mobility and transport, cultural heritage, amongst others).

It is also fundamental to include the component of public space in the agenda of local government, and to approach problems associated with the conflicts over its use by private individuals and informal vendors, as phenomena which are characteristic of Colombian cities. In this sense, the regulation of schemes for the economic use of public space (AEEP) have acquired particular importance.

Some cities have pursued successful experiences. In particular the Statute of Economic Use of Public Space (Decree 552/2018) has been issued, and the Special Districts of Improvement and Social Organization - SDISO- have been regulated in Bogota (Decree 540/2018). SDISO is an instrument that allows the community to be engaged in the administration of public space through the management of resources collected from economic activities pursued there, to invest them in projects already approved by the authorities administering the public space involved, and designed to secure its maintenance, improvement and sustainability.

These are projects that promote the formulation of participatory self-sustainable budgets, because they are mostly financed by the use of public space in these areas. There is also an important strategy for the revitalization of public space in Medellin, where AEEP is considered to be an instrument of financing the Territorial Land-Use Plan. This instrument is currently being applied to the demands of private actors who are interested in the commercial use of public space, but progress is being made towards the consolidation of a national cadaster of public space and the formation of a single platform to implement this process systematically, nationwide.

#### Access to Adequate Housing Items

Access to Adequate Housing Items is a central element of the well-being of the population. From the Political Constitution of Colombia in 1991, access to housing is recognized as a right, Article 51 establishes that "All Colombians have the right to decent housing. The State will establish the necessary conditions to make this right effective and will promote social interest housing plans, adequate long-term financing systems and associative forms of execution of these housing programs". The Law 546 of 1999 was issued to fulfill this constitutional mandate, and laid the foundations to develop a specialized housing financing system, generated instruments to promote savings and proposed a series of measures to guarantee the stability and correct operation of this system. For example, granting of subsidies to the interest rate of mortgage loans through a fund for this purpose (FRECH). In 2011 the Ministry of Housing and Environment was separated into the Ministry of Environment and the Ministry of Housing, City and Territory (Decree 1444/2011). The Ministry kept providing the interest rate subsidy but also created two programs: The Priority Interest Housing Program for Savers VIPA, to finance VIP projects

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(priority interest housing, value below 70 MMW), and Mi Casa Ya Program, which initially targeted households between 2 and 4 MMW and after 2017 was extended to households below that threshold, absorbing VIPA.

The Ministry has kept working on the provision of housing, given the wide evidence of its impact on reducing multidimensional poverty. For example, it is estimated that households with their own homes in Colombia in 2016 have a 9.8% greater probability of exiting poverty compared to those who are not owners. This probability is higher than that of Ecuador (5%) and Brazil (4.9%). Some of the mechanisms through which housing ownership contributes to lift households out of poverty are access to a physical asset that can serve as collateral and the mitigation of the effects of negative shocks on the household's ability to generate income.

Public housing policy has made important efforts to contribute to reducing the housing deficit through the allocation of cash and in-kind subsidies for the purchase of housing units. In fact, since 2012, Fonvivienda has assigned more than 630 thousand benefits to Colombian households for the acquisition of new homes (Free Housing Program, Interest Rate Conditional Coverage Program and Mi Casa Ya). Taking into account that the main restrictions to accessing housing are not having enough money and not having the capacity to borrow, the national government designed the Semillero de Propietarios social leasing program, with two objectives: that households find adequate housing services in the formal rental market and that they have savings that allow them to cover the down payment and a build a credit history that guarantees access to mortgage credit.

Within this context, in 2018, 680,381 urban households (6.1%) were in a quantitative housing deficit and 2.08 million urban households (18.7%) were in a qualitative housing deficit. Given that the qualitative housing deficit is greater than the quantitative one, the national government set the goal of improving the living conditions of 225,000 households through the Casa Digna, Vida Digna housing improvement program. The target population of the program are those households with a qualitative deficit, which among the poorest. This program also contributes to the fulfillment of the Sustainable Development Goals (SDG), in particular SDG 6: Clean water and sanitation and SDG 11: Sustainable cities and communities, which seek to ensure access for all people to adequate, safe and affordable housing, basic services; as well as improving the conditions of the slums.

The effectiveness of the provision of housing through public policy has been reduced by the presence of market failures in the housing and land markets and the fiscal restrictions of the housing acquisition programs. For this reason, on January 14, 2021, President Iván Duque sanctioned the new Housing and Habitat Law, Law 2079 of January 14, 2021. This law aims to establish instruments and mechanisms to facilitate access by Colombians to decent housing, both in urban and rural areas of the country, through regulatory simplification. It also promotes an orderly and planned growth of cities. The Law further deepens access to the 200,000 housing subsidies announced within the framework of the National Government's economic reactivation program in the face of the COVID-19 crisis, promotes the financing of rural housing and recognizes the heterogeneity of populations and regions, through an increase in the value of rural subsidies according to the conditions of access to the territories. The Law also allows households that in the past received a family housing subsidy in the improvement modality, to access a family housing subsidy in

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the acquisition modality, as long as they comply with the requirements established in the regulations. The Law removes the maximum limit of years to repay a home loan, previously it was 30 years, which recognizes the changes in market dynamics and the preferences of those who want to access a mortgage loan. The restriction on the sale of subsidized properties is eliminated, except for free housing projects, therefore households can use this asset as collateral.

Despite these important efforts, challenges remain: For example, restrictions on the supply of urban and rural housing, the management of urban land and the low articulation of the nodes of the urban system make it difficult for the State to guarantee the Constitutional right. The main restrictions on the supply of housing to meet the demand for housing are (i) the difficulty for the mobility of households to locations with better access to workplaces and basic services, (ii) inappropriate land management that results in a supply of land below that necessary to respond to housing construction needs, and (iii) poor articulation of the urban system to improve the country's competitiveness.

#### 1. Ensure access to adequate and affordable housing

Between 2006 and 2018 the New Housing Price Index - IPVN grew faster than the Housing Construction Cost Index- ICCV (excluding the price of land). During this period, construction costs grew on average at 3.3% per year, while new home prices increased on average at 9.7% each year. This mismatch is largely explained by the increase in the prices of land.

As stated before, the Political Constitution of Colombia in 1991, in Article 51, recognized the access to housing as a Constitutional right. Within this context, the housing subsidy has become the main instrument of housing policy in Colombia.

The current administration has made important efforts to make this instrument more effective, and therefore, it has defined different programs tailored to the economic conditions of households.

There are three co-financing programs. First, the "Programa de Vivienda de Interés Prioritario para Ahorradores (VIPA)" which gives up to 30 monthly minimum wages (MMW) to purchase a priority interest housing (VIP) unit. This program is directed to families whose monthly income does not exceed 2 MMW. Hence, these households will be able to have their own home without committing more than 30% of their income in mortgage loan payments. This program has benefited 49.472 households in the country since 2014.

Second, "Semillero de Propietarios" is a social leasing program to establish a path towards ownership for lower-income households, allowing them to accumulate formal savings and create credit history, and therefore, access formal credit. This program ensures a decent housing solution, while settlements are formalized, and households are bankrolled. In addition, the program has been linked to "Mi Casa Ya" as a next step to become a homeowner through financial inclusion.

Third, "Mi Casa Ya" is a mortgage subsidy to buy new housing in urban areas for nonhomeowner households. The program focuses on households whose income is lower than 4 MMW, with a subsidy for the initial installment and coverage for the interest rate during





the first 84 installments (7 years). Since 2017, the program has helped 127.193 households purchase a new home.

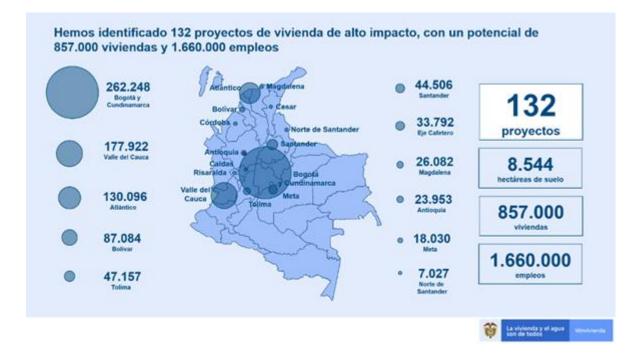
On the other hand, "Vivienda Gratuita" provides a 100% subsidized home to the most vulnerable population in the country. Since these households have a lower income, and informal jobs, they are excluded from the formal credit sector and therefore they are not able to buy a home, even with the help of a mortgage subsidy. Since its creation in 2012, the program has constructed and assigned 120.000 housing units to Colombian families.

Due to the efforts of the Ministry of Housing and Cities, there are 359.895 new affordable housing units since 2017.

#### Instruments for enabling land

The Land Enabling Programme is designed to strengthen the development of high-impact housing projects, through interinstitutional articulation in formulation, approval and management. These projects are formulated through intermediate planning instruments, such as partial plans or National Social Interest Macroprojects - MISN.

To date, the programme is following up 132 partial plans across the country, to enable 8,544 ha of land with a potential to generate more than 850,000 housing units. The development of these projects also contributes to a reduction in the shortage of housing and effective public space, and in the updating and expansion of road, transport and household public service networks.





son de todos



The MISN are a strategy for the execution of comprehensive urban operations with impacts at local, metropolitan or suprametropolitan levels, that seek to enable land for the construction of housing and associated uses, with related supporting infrastructure for the roads and transport and public services systems, , public space, and collective facilities.

The National Development Plan (2018-2022) "Pact for Colombia, Pact for Equity " defined the need to promote the formulation and implementation of MISN as a mechanism to secure the enabling of urban land in Municipalities with high demand for housing and low offer of land. The target for the four-year period was to enable 16,000 ha of land. The main results are as follows:

1. Enabling of 1,926.02ha of land, which already had urban development regulations, availability of public services, sewerage, electricity, gas and communications sewerage, electricity, gas and communications.

2. Improvement of quality of urban life with larger areas of public space and more facilities, providing a total of 385.45 ha from cessions for parks and facilities, of which 274.59 ha have been destined for parks and 110.6 ha for facilities, with an average of 4.51 m<sup>2</sup> parks and facilities per inhabitant.

Among the benefits of the MISN Program are:

3. An increase in the offer of land for development, for the Social Interest Housing programmes (VIS), and the Priority Social Interest Dousing programmes (VIP) and their complementary uses (commerce, services, industry, amongst others)

4. Contribution to the quality of life, establishing an average of a minimum of 45 m<sup>2</sup> of construction per unit of housing in VIP projects.

5. The management of the MISN generates synergy with the other ministries and other public-and private-order entities, contributing to targets of other Government programmes in education, health, and social welfare policies, amongst others.

6. With the execution of MISN, there are guarantees of comprehensive action by the Government, together with the participation of the private sector, to control speculation with the land, and to secure the comprehensive development of public space, the protection of the environment, and the promotion of a comprehensive policy for risk management, in social housing projects across the country.

The provision of housing through leasing is an effective option to solve the housing deficit, both quantitative and qualitative, because rental housing offers better conditions of infrastructure and construction materials than the alternative of housing in informal settlements. Even though the households do not acquire an asset, social leasing can reduce poverty because it gives the household the opportunity to change the location to improve the provision of housing services and access better job opportunities. Also, social rental housing as a public policy generates a lower fiscal pressure for the country increases the efficiency of public spending.





In this context, the National Government, through the Semillero de Propietarios program, set the goal of improving living conditions with a monthly rent subsidy or a savings subsidy that allows households to satisfy their housing needs through rent. However, the ultimate goal is for them to become owners.

The new Housing and Habitat Law, Law 2079 of January 14, 2021 proposes two changes in the rental market to boost the housing supply and improve the efficiency of the social rental program. In the first place, it expands the supply of housing for rent by allowing the subsidy to be applied in existing housing with commercial value higher than the ceiling of VIS. Second, it reduces the dwelling time of households that benefit from subsidies from ten to five years. This change increases the potential housing stock for the rental market and relaxes the restriction of mobility for homeowners and allows them to access the benefits of deciding on a better location and exploit the asset they acquired.

In 2019, the <u>median</u> amount of money spent on rent as a percentage of the monthly income of urban households was 25%. However, this percentage increases up to 41% when calculated as the <u>average</u> money spent on rent as a percentage of the monthly income. Furthermore, for the same year, the <u>median</u> amount of money spent on mortgage relative to the monthly income perceived by an urban household was 21% and the <u>mean</u> was 62%.

As a result of the implementation of the Law it is expected to reduce the median amount of money spent on rent as a percentage of the monthly income of the households, because they will be able to buy a house or because the expanded rent market will reduce housing costs.

#### 2. Ensure access to sustainable housing finance options

Despite the efforts of the National Government in terms of subsidies and interest rate coverage to support demand of housing, there are still challenges to finance decent housing for the most vulnerable population. Also, in terms of financial inclusion Colombia is behind compared to other countries in the region. The country's mortgage portfolio remains at levels of 6% of GDP, while the Latin American average reaches 9.6% and, in particular, the ratio for the VIS portfolio does not exceed 2% (figures from 2017). This implies that credit conditions stop more households to purchase a home.

To address this problem, the Ministry provides risk coverage for mortgage loans. Under this program, the government guarantees about 54,000 mortgage loans for up to 3 billion (million million) pesos of mortgages and leasing operations for the acquisition of new housing to lower- and middle-income families.

Additionally, the Ministry has sustained the Interest Rate Conditional Coverage (FRECH) program, providing coverage at the interest rate for mortgage credit and housing leasing during the first seven years of the obligation, to reduce the financial cost in the acquisition of new affordable housing (VIS) or priority housing (VIP) to households with incomes of up to 8 MMW. This instrument has promoted favorable dynamics in the conditions of the low-





income housing and mortgage loan market, as well as access to housing for both low- and middle-income households.

Since January 2015 and ending in June 2020, a total of 148,117 coverages have been delivered, where 82% was for VIS housing and 18% for VIP. During the current administration, that is, from August 2018 to June 2020, a total of 41,458 coverages have been delivered.

As a result, the average mortgage debt relative to GDP has varied between 7.7% and 8.3% in the last three years (2017-2019). Moreover, 15 million mortgage loans have been delivered between 2018 and 2020.

#### 3. Establish security of tenure

To guarantee security of tenure, the Ministry of Housing and Cities established the program "Casa Digna, Vida Digna. One of the components of this program, called "Titulación" (National Titling Program), reaches out to the most vulnerable families in the country, especially those occupying public property or without property rights.

From 2015 to 2020, 112.950 property rights have been given to informal settlers in order to guarantee the security of tenure as follows:

2015	2016	2017	2018 (Until June)	2019	2020	Total
23.285	20.736	16.235	7.642	27.040	18.012	112.950

Source: FONVIVIENDA

The Public Policy is based on a holistic approach, the security of tenure is also related to the urban legalization of human settlements constituted by irregular social housing, without compliance with the regulations, without urban planning, and without the basic and necessary conditions to improve the quality of life of its residents. The urban legalization team at the Ministry supports local governments in the process providing technical support in prioritized municipalities. Estimations show that 83 municipalities in the country house 60% of the informal settlements, these local governments have received virtual and face-to-face trainings, as well as work sessions to support the work they do to formalize and/or relocate these families.

#### 4. Establish slum upgrading programmes

According to the National Statistics Office (DANE), the Qualitative Housing Deficit identifies households that live in housing that has deficiencies non-structural, in which it is possible to make interventions that correct the problems associated with the mitigable overcrowding, the material of the floors of the house, the place where the household food, water used to prepare it, sewage, power connection electricity and garbage collection. Of the total number of households that live in non-ethnic or indigenous dwellings (14,060,645), 26.8% do so in dwellings that have at least one non-structural or qualitative deficiency (that is, 3,765,616 homes nationwide).





To alleviate this problem, the Ministry started in 2018 the Casa Digna Vida Digna program, a housing and neighborhood improvement. This initiative intervenes human settlements through three strategies: (1) the improvement of the surrounding conditions and the construction of social facilities and urban planning works, (2) the titling of houses and (3) the improvement of the interior of homes, including the construction of bathrooms, kitchens, floors, structures, among others. One of the virtues of this program is that it is adjusted to the particular needs of each household.

The program focuses on the transformation of dwellings and neighborhoods through three components: ensure property rights ("Titulación"), access to public services and housing retrofitting ("Mejoramiento de Vivienda"), and neighborhood transformation ("Mejoramiento de entorno").

First, to ensure that slums are upgraded you must ensure security of tenure. This is done through the <u>"Titulación"</u> component that was explained in the previous question.

Second, there is the "Mejoramiento de Vivienda" component, which has two modalities:

i. Habitability: are those living arrangements aimed at improving the basic housing conditions of the most vulnerable households, through repairs or locative improvements that do not require obtaining permits or licenses from the competent authorities.

These repairs or local improvements are associated, as a priority, to fixing habitability deficiencies such as lighting, ventilation, weather protection, basic sanitation, and the conditions that affect the health of the household members. For example, installation of bathrooms, laundry rooms, kitchens, hydraulic and sanitary networks, roof improvement, floor improvement, walls, among others, to progressively achieve the optimal conditions of a quality home.

**ii. Structural reinforcement:** Interventions to reduce the seismic vulnerability of buildings. The execution of the structural reinforcement repair works must include the correction of the deficiencies of the building and achieve a structure whose seismic response is safe. It requires obtaining permits or licenses from the competent authorities.

From 2018 to 2020, 119.696 subsidies have been awarded (Titulación, Equipamientos and Mejoramiento de Vivienda).

Finally, the <u>"Neighbourhood Improvement</u>" component, seeks to improve the living conditions of the poor and extremely poor population by renewing their housing environment.

Through the "Neighborhood Improvement Program" (MIB), the Ministry of Housing City and Territory provides technical and financial support to municipalities for them to formulate and implement projects for the improvement of their neighborhoods and the urban planning legalization, according to the different municipal development plans. During the last 10 years, the Ministry has developed these projects with the support of multilateral development banks such as the IADB. However, since 2019 this program has been funded directly with national budget.

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The "Neighborhood Improvement Program" (MIB) seeks for a comprehensive action in the municipalities including: 1. Land use management: legalize and regulate neighborhoods and relocation when needed; 2. Basic infrastructure and public services: water and sewages systems, electric networks, among others; 3. Civil works for environmental protection, tree planting, erosion control, soil stabilization, slope's natural protection, drains system recovery and risk mitigation; 4. Urban accessibility and mobility; 5. Housing: coordinated actions with the improvement housing programs, civil works to improve public space infrastructure and 7. social development, social support, active participation of communities, security and peaceful coexistence.

The costs are paid through a joint investment of the Nation, the municipality, and the community. This program contributes to achieving the goals of social progress, sustainable development, and poverty reduction.

From 2018 to 2020, 376.272 households have benefited from these neighborhood improvements.

Casa Digna Vida Digna	2018	2019	2020	2021	Total
Titulación	6.974	24.453	18.827	1.641	51.895
Mejoramiento de entornos	5.046	108.687	253.810	8.729	376.272
Mejoramiento de viviendas	23.389	23.321	55.660	1.095	103.465
Total	35.409	156.461	328.297	11.465	531.632

These improvement interventions are shared with community since the very beginning when the designs are made, and works are prioritized. Some of the benefits reported in the MIB projects at the national level are: Reduction of the qualitative deficit, increased sense of belonging, socioeconomic development of neighborhoods, real estate development and housing improvement, accessibility by means of public transport, reduction of conflict and insecurity, prevention of new settlements through the strengthen of the city boundaries, community training projects, training of local administrations, and reinforcement of the image of local and national governments.

With a total investment of \$24.000 million pesos, the Housing Ministry is currently implementing three pilot projects in the cities of Cali, Neiva and Valledupar, which will benefit 13.384 households' neighborhoods improving roads, platforms, sardines, cycle routes and parks. Theses interventions will be supported by local strengthening and social development strategies.

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The main challenge of these programs so far is their size, it is necessary to procure funds to expand them and to reach a higher number of households. To solve this, the Ministry is advancing negotiations with the Bank to acquire a World loan worth approximately 88 billion pesos, which seeks to implement eleven new improvement projects.

The main challenge remains the resources for the programs to be able to attend many more households.

#### Access to Basic Services Items

#### 1. Provide access to safe drinking water, sanitation and solid waste disposal

Access to water and sanitation services in Colombia has improved considerably in the last 30 years. Progress in this regard will allow the country to achieve universalization of services by 2030, as established by the SDG agenda (SDG 6). Since the adoption of the NUA, the proportion of the country's total population with access to drinking water<sup>1</sup> has been at 92.3% in 2016 and 2019<sup>2</sup>. Access in urban has increased from 97.7% to 97.9% during the same period. Regarding access to sanitation services, the proportion of the population with access to basic sanitation services increased from 88.4% in 2016 to 89.0% in 2019. For urban areas, the increase went from 92, 3% to 93.0% in the same period.

Colombia is a regional leader in the management of solid waste. In 2019, 91% of municipalities carried out a proper final disposal. Regarding the proportion of municipal solid waste collected and managed in control facilities, it increases from 97.6% in 2016 to 98.3% in 2019<sup>3</sup>.

This advance was possible thanks to the institutional reforms carried out by the water and sanitation services sector during the 1990s. A new law (Law 142 of 1994<sup>4</sup>), which regulates the operation of public services, provided the framework to improve the coverage and quality of basic services in Colombia.

Among the best practices introduced was the implementation of a more decentralized service management, so that municipalities became the main responsible for utilities. The central government retained functions related to the making of broader public policies and regulations, as well as technical and financial assistance. In addition, a subsidy system

<sup>4</sup> Complete text of the law can be found in:

<sup>&</sup>lt;sup>1</sup> Data corresponds to access to water from an improved drinking source located near the household and is close to the basic level defined by the Joint Monitoring Programme to measure SDG 6. The country's official statistical instruments do not allow to measure the use of safely managed services. Sanitation data have a similar situation; data presented here corresponds to basic level of access.

<sup>&</sup>lt;sup>2</sup> All data presented in this paragraph was calculated by Colombia's National Planning Department based on microdata from the Integrated Household Survey. Microdata available in Colombia's National Institute of Statistics webpage (http://microdatos.dane.gov.co/index.php/catalog/599/get\_microdata).

<sup>&</sup>lt;sup>3</sup> Data from Superintendency of Utilities' reports. Available in: <u>https://www.superservicios.gov.co/publicaciones</u>

http://www.secretariasenado.gov.co/senado/basedoc/ley\_0142\_1994.html



was introduced to allow lower-income households to afford water and sanitation services. This system includes contributions from higher-income households (and commercial and industrial users) to partially cover the consumption charges of lower-income households. It also includes a system of national transfers from the national government to departments (akin to states) and municipalities to help them finance subsidies and investment expenditures related to water and sanitation<sup>5</sup>.

Since the adoption of the NUA, water and sanitation in Colombia have had new developments, including the creation of flexible norms to provide services in special situations, allowing to provide services in rural areas and informal neighborhoods. The central government issued several norms<sup>6</sup> and regulations that allow public service companies and organized communities to provide water and sewerage services under more flexible conditions, in comparison to those appliable in normal situations. In addition, the Regulatory Commission issued special regulations for small water and sanitation service providers in 2017 (water and sewerage<sup>7</sup>) and 2018 (solid waste collection<sup>8</sup>). Finally, in 2016<sup>9</sup>, economic incentives were introduced to promote solid waste recycling.

#### Some lessons learned:

Despite this progress, there are some challenges that must be addressed to achieve SDG 6. Institutional weaknesses in some municipalities and smaller public service companies hamper efforts to extend coverage and improve the quality of services. The large number of public service companies and providers of water and sewerage services, in relation to both the number of municipalities and the population served, implies efficiency problems.

Also, the great dispersion of households in rural areas increases the necessary investments to reach the population living there. As a result, there is a considerable gap in coverage and quality of services between urban and rural areas. Finally, in the long run,

<sup>&</sup>lt;sup>5</sup> The system of national transfers is defined by the law 715 of 2001, which can be found in:

https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=4452#:~:text=El%20Sistema%20Ge neral%20de%20Participaciones%20est%C3%A1%20constituido%20por%20los%20recursos,asigna%20en%20 la%20presente%20ley.

<sup>&</sup>lt;sup>6</sup> Decree 1898 of 2016 for rural areas and Decree 1272 de 2017 for urban areas. Available in: https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=78173 and

https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=82883

<sup>&</sup>lt;sup>7</sup> Regulation can be found in: <u>https://cra.gov.co/documents/RESOLUCION\_CRA\_825\_DE\_2017.pdf</u> <sup>8</sup>Regulation can be found in:

https://tramitesccu.cra.gov.co/normatividad/admon1202/files/Resolucion\_CRA\_831\_de\_2018.pdf <sup>9</sup> Decrees 596 of 2016 and 2412 of 2018. Available in:

https://dapre.presidencia.gov.co/normativa/normativa/DECRETO%20596%20DEL%2011%20DE%20ABRIL%2 0DE%202016.pdf and

http://es.presidencia.gov.co/normativa/normativa/DECRETO%202412%20DEL%2024%20DE%20DICIEMBRE %20DE%202018.pdf





challenges related to environmental sustainability and the adaptation to climate change need to be addressed; for example, 391 municipalities (35%) are at risk of water scarcity<sup>10</sup>.

Regarding actions taken to increase the environmental sustainability of the sector, the national Government started the Municipal Wastewater Sanitation Policy in 2004, which seeks to increase the percentage of treated urban wastewater (also part of SDG 6). In 2019, this percentage reached 48.56%<sup>11</sup>.

Additionally, the national Government has taken a more direct role where local authorities have had trouble regarding the adequate provision of services. For example, in La Guajira department the Ministry of Housing, City and Territory is currently implementing a program (Guajira Azul) intended to expand the coverage of water and sanitation services. This department has had the lowest levels of access to services, as well as administrative problems. Besides this, La Guajira faces challenges regarding its high rate of poverty and a recent increase in migration. Because of this, part of the department's prerogatives regarding water and sanitation have been assumed by the national Government. Under this program, access to services has improved in the last 3 years<sup>12</sup>.

#### 2. Ensure access to safe and efficient public transport system

The National Government has identified for more than two decades the importance of mobility in cities, its incidence in life quality, city productivity and competitiveness. With this vision, Colombia has made a significant effort and commitment to take on the challenges of travel needs and accelerated city growth, including the mitigation of negative externalities associated with inefficient private motorized mobility (traffic congestion, pollution, and poor road safety), that affect city's socioeconomic and environmental sustainability. The step-by-step strategy has been giving important resources to implement sustainable public transport systems and to develop technical capacity to plan, regulate, design, construct and operate them following Transit Oriented Development (TOD) principles and policies (e.g. Nationally Appropriate Mitigation Actions, NAMA-TOD).

Three main issues characterize the urban trajectory in Colombia: First, the economic growth of the country led to a sharp increase in motorization rates, where between 1994 to 2009 the vehicle fleet tripled from 2 million to 6.9 million vehicles. Second, the country faced an increase in motorbike motorization and the reliance on door-to-door motorized services. Third, until 1990, public transportation was entirely characterized by an institutional arrangement that led to an oversupply of buses and low-quality service, locally

http://documentacion.ideam.gov.co/openbiblio/bvirtual/023858/ENA\_2018.pdf

<sup>11</sup> Additional information about this program can be found in:

<sup>12</sup> Additional information about the Guajira Azul Program can be found in:

https://www.minvivienda.gov.co/viceministerio-de-agua-y-saneamiento-basico/guajira-azul

<sup>&</sup>lt;sup>10</sup> Data from the National Study of Water. Available in the webpage of the National Institute of Environmental and Meteorological Studies:

https://www.minvivienda.gov.co/viceministerio-de-agua-y-saneamiento-basico/saneamiento-y-manejo-de-vertimientos





known as the penny war ("guerra del centavo") because drivers literally were vying for each prospective passenger.

Colombia took important steps to improve mobility and gradually replaced the traditional public transit system. Initial efforts go back to 1998 when the city of Bogotá first implemented the TransMilenio Bus Rapid Transit (BRT) system. The TransMilenio experience became a model that was used to roll-out other BRTs systems throughout Colombia's largest cities and allowed the Government of Colombia to outline a programmatic policy platform to address urban transport issues in Colombian cities. As a result, two main policies were adopted: The Policy to Improve the Urban Public Passenger Transport and National Policy for Urban and Mass Transit System. Also, seven of Colombia's largest cities and metropolitan areas (with more than 600,000 inhabitants) implemented BRTs in the highest demand corridors. Eight medium-sized cities (250,000 to 600,000 inhabitants) have designed and continue to implement interventions that are less infrastructure-intensive components and do not require the implementation of BRTs (Strategic Public Transit Systems).

The first generation of co-financed **SITM** has implemented BRT Systems in the following cities:

- Bogotá & Soacha with TransMilenio (2000 and 2013, respectively)
- Pereira with Megabus (2006), Cali with MIO (2009)
- Bucaramanga with Metrolínea (2010), Barranquilla with Transmetro (2010)
- Medellín with Metroplús (2011)
- Cartagena with Transcaribe (2016).

TransMilenio became a best practice example for bus rapid transit (BRT) systems across the world, with a peak hour demand in its heaviest corridor of more than 50,000 pax/hour/direction, therefore, it highly influenced Colombia's policymaking and public transport design in other cities.

In addition, nine **Strategic Public Transit Systems (SETP)** are under implementation with important infrastructure co-financing in Pasto, Santa Marta, Valledupar, Sincelejo, Montería, Armenia, Popayán, and Neiva, and operations to begin shortly.

The second generation (2017-2020) of public transport systems with co-financed agreements includes the Bogota Metro (First Line - Stretch 1) and its BRT feeder trunk corridors, RegioTram in the Capital Region (Sabana de Occidente), TransMilenio Soacha (Phases II & III), Metro of the Av. 80 in Medellin and the Ibagué SETP.

Under the national and local co-funding agreements to finance the seven SITM and nine SETP projects, approximately USD 6.7 billion have been committed and an 87% execution progress (USD 5.8 billion) has been delivered. In addition, the new public transport rail projects co-funding agreements of Bogotá Metro (First Line, 1<sup>st</sup> Stretch), RegioTram of the Sabana (west area), Light Metro Av. 80 in Medellín, add to approximately USD 11.7 billion in funding commitments, with 9% execution progress and a plan to deliver these investments during the next decades.

Despite this progress, the SITMs face two challenges:



son de todos



(I) Increase in motorization and illegal transportation makes difficult to capture the projected demand. Until 2019, the demand for SITM travel had remained more or less stable (between 5.2 million passengers per day in 2016, to 5.4 million passengers in 2019). However, in 2020 the demand for SITM fell significantly to a 2.4 million passengers weekday average, which represents a drop in demand of more than 50% compared to that registered before the pandemic. This situation has further affected the financial sustainability of the operation of these transport systems, since most of their income depends mainly on tariffs-fares.

(ii) Due to the losses in demand in 2020, it is necessary to implement actions to recover demand, while adopting alternative sources of funding that allow to alleviate pressure on the tariff. This suggests the need to define a new tariff regime for SITM, where tariff is sufficient to remunerate the different actors, as well as to promote accessibility, especially the most vulnerable. All this without affecting the quality of the service and complying with quality public transport criteria related to coverage, convenience, accessibility, affordability, and mitigation of environmental impacts, among others.

Finally, three aspects are crucial: the adoption of supply and demand subsidies, scaling the intervention of the urban structure and transport systems structure, in order to reduce the general cost of the most vulnerable users who depend mainly on public transport to guarantee their access to opportunities offered by each city.

#### Some lessons learned:

- i) Technical requirements should be flexible in order to respond to local public transport needs.
- Based on the initial success of TransMilenio, the national policy established ii) requirements (e.g. use of technology) or even objectives (e.g. fleet rationalization) which did not fit local needs especially in SETP (e.g. technology requirements were over specified for smaller operations, or several cities were suffering from undersupply of public transport as informal services advanced and operators did no fleet renewal). The suitability of these requirements was supported by demand models that proved to overestimate demand and underestimate motorization trendlines.
- Demand forecasting should be standardized and adaptable to city evidence-based iii) modeling by developing and implementing national-level guidance using international best-practice guidelines.
- Finally, a result-based monitoring and evaluation system (outcome indicators) iv) provides more flexibility to adapt project designs to current needs, increasing attractiveness to users.
- Coordinating unit at the Ministry of Transport (UMUS, Unidad de Movilidad Urbana V) Sostenible) has contributed to better Implementation and capacity building.
- The Technical Assistance component has been critical in improving implementation vi) while properly managing risks.
- Similarly, early consolidation of the environmental and social management capacity vii) has been important to ensure timely project implementation





#### Indicators included in the National Development Plan 2018-2022, Law 1955 of 2020

Indicator	2017 Base Line	2020 Results	2020 target %progre ss	2022 target	2022 target % Progress	
Average weekday trips in co- financed public transport systems (year average)	5.400.000 PreCOVID- 19	2.496.316 COVID-19	44.4%	6.000.00 0 COVID- 19 Scenario: 4.000.00 0	42% PostCOVI D-19	
Km of road infrastructure intervened in co-financed public transport systems (accumulated result)	1.019	1.142,54	100.4%	1.197	69%	
Km of Bike Network built by co-financed public transport systems (accumulated result)	154	226,18	99.6% 255		71%	

Note: For the Integrated Public Transport System of the Aburra Valley - Medellín (SITVA in Spanish) target only includes SITM- Metroplús (BRT) public transport system cofinanced by the National Government.

#### 3. Provide access to modern renewable energy

In 2020, 72% of the energy was produced by hydroelectric power. The consumption of energy from non-conventional renewable sources (FNCER in Spanish) such as solar and wind, accounted 200 GWh, representing only the 0,29% of the total consumption in 2020.

In order to promote renewable energy generation and therefore increase its share, a longterm contract auction mechanism was designed in 2018 and 2019. The auction's purpose is to provide long-term contracts for renewable generators to enable financial closure for these projects. It also pursues the following objectives:

- To strengthen the power generation matrix's resilience in face of variability and climate change events through risk diversification.
- To promote competition and increase prices efficiency through the long-term contracting of new and / or existing electricity generation projects.
- To mitigate the effects of climate variability and climate change by taking advantage of the potential and complementarity of available renewable energy resources, which allow managing the risk of meeting the future demand for electricity.
- To promote sustainable economic development and strengthen regional energy security.





• To reduce greenhouse gas (GHG) emissions in the electricity generation sector in accordance with the commitments made by Colombia at the World Summit on Climate Change in Paris (COP21)

in 2019, nine projects for power generation through renewable resources were assigned through long-term contracts with 23 retailers, estimated to begin in 2022. It is expected that renewable participation in Colombia's power mix will be around 14% in 2022. Besides, the National Development Plan set that between 8% and 10% of the retailers' energy purchases must come from FNCER. Recently, in March 2021, the Mines and Energy Ministry stablished that percentage at 10% and this obligation will be evaluated from 2023 onwards.

## SUSTAINABLE AND INCLUSIVE URBAN PROSPERITY AND OPPORTUNITIES FOR ALL

#### Inclusive Urban Economy Items

#### 1. Achieve productive employment for all including youth employment

The National Government through the National Development Plan 2018-2022 establishes guidelines to provide opportunities, securing sufficient and sustainable income and promoting access to social protection systems and fully integrated production chains.

Within this context, Prosperidad Social undertakes a coordinated institutional work by providing to other national institutions employability strategies in an efficient, appropriate and integral manner, emphasizing in vulnerable groups (Pact III-F-Objective 4). Therefore, Prosperidad Social designed and implemented a variety of mechanisms of employment advising, placement and retention of vulnerable groups.

Since 2012, Prosperidad Social has developed a set of initiatives to improve vulnerable population's employability with an emphasis in income-generating and overcoming poverty mechanisms One of the main lessons acquired is the need to adopt a result-oriented intervention scheme.

#### I. Result-oriented Payment Scheme

Colombia is the first country in Latin America and the Caribbean to design and implement a Result-oriented Payment Scheme, where payments depend upon results. Under this financial model, government and international donors pay private entities to successfully advise, place and secure formal and dignified employments for poor and vulnerable population.

in 2018, Prosperidad Social decided to implement the first pilot through "Superando Barreras" (Overcoming Barriers) program in the department of Valle del Cauca, in the southwest Colombia. The project linked 24 companies and 762 beneficiaries from Cali and Buenaventura. This initiative is the result of a collaborative work between the Innovation





Lab of the World Bank, the Swiss embassy and Corona FoundationThe investment of the Program amounted \$ 4.8 million USD.

#### II. Scaling up Empléate Program

Empléate Program articulates private sector and authorized employment agencies in order to mitigate barriers faced by vulnerable groups to enter to the formal job market.

III. In 2020 Empléate had a total budget of \$ 0.9 million USD and benefited 1,397 poor and vulnerable people located in 38 municipalities. In 2021, Prosperidad Social is launching Empléate 2.0 seeking to benefit 840 Colombians throughout the National territory withan additional investment of \$0.5 million USD contributing to the recovery of poor families under the pandemic crisis Incentivizing youth unemployment

In Colombia young population represents nearly third of the working age population. However, this group experiences low and precarious job opportunities. It is estimated that about 21% of young people between the ages of 15 and 24 do not have a job and are not currently studying or receiving training, nearly 70% of them are women and 90% are Poor.

To address this problem, the National Government set specific goals in the National Development Plan 2018-2022 to promote social, economic and political inclusion of young people by, 1. Ensuring the transition from secondary education to a technical or technological one to promote social mobility and closure of gaps; 2. strengthen the quality and relevance of education according to the expectations of social and productive needs, 3. Promote labor and productive inclusion of young people; 4. Strengthen young life-projects, socio-emotional skills, innovation and leadership; 5. Strengthen the institutional framework to favor the social, economic and political inclusion of young people . (Pact III-G)

To meet these objectives, Youth-oriented programs like Jóvenes en Acción were expanded. Jóvenes en Acción seeks to increase the demand for higher education at the technical, technological and professional levels; increase educational attainment; increase their permanence in the educational system and strengthen the level of competences based on soft-skills (Habilidades para la Vida HpV component) and, facilitate social and labor insertion of the vulnerable young--population.According to a result and impact evaluation carried out in 2017 by Econometria S.A., there is evidence on the following aspects

- Differences were observed in the proportion of young people who withdrew from their studies, being significantly lower for those participants receiving HpV.
- For young people with HPV who finished their training process, the time looking for a job was significative less.
- Significant differences were observed in time dedicated to study exclusively, being higher for those who attended the HpV component.
- HpV increase school retention and educational achievement.

#### 2. Strengthen the informal economy

In order to measure labor informality, the Ministry of Labour focuses its attention on monitoring contributions to pension funds. This measure is considered a reasonable

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criterion for a number of reasons. In the first place, because it refers to the basic concept of informality as employment that is not covered by the existing regulatory framework, which makes it possible to clearly identify vulnerable workers. Secondly, because it is highly correlated with other definitions used on informality and, thirdly, because it is a good indicator that the individual has access to all the legal benefits associated with formal employment.

The percentage of informal employed persons between 2008 and 2019 went from 67.9% to 60.6%. In other words, during this period the informal employed population that does not contribute to pension funds reduced their participation in the total employed, a situation that could indicate an improvement in their employment quality conditions (See Table 5). Likewise, in Colombia, labor informality could be considered as an urban phenomenon. During the analyzed period, of the total number of informal workers, approximately 70.7% were located in urban areas and 23.9% in rural areas.

 Table 5. Total National Percentage of total informal employed, sex and youth (18-28 years). Annual averages 2008-2019

Year	National	Men	Women	Youth	Urban	Rural
2008	67.9	69.0	66.2	67.1	61.8	89.5
2009	68.7	69.4	67.5	67.9	62.4	89.7
2010	68.6	68.6	68.4	67.8	62.5	89.1
2011	68.4	68.2	68.6	68.0	62.4	88.9
2012	67.4	67.0	68.0	66.5	61.2	89.0
2013	64.4	63.9	65.0	64.6	58.8	84.2
2014	62.5	62.1	63.1	62.0	56.8	83.4
2015	62.2	61.8	62.8	61.6	56.2	84.2
2016	61.2	61.0	61.6	60.5	55.1	83.2
2017	60.7	60.6	61.0	59.9	54.6	82.5
2018	60.8	61.0	60.7	61.7	54.7	83.0
2019	60.6	60.6	60.5	61.6	54.5	82.9

The reductions in the percentages of the informal employed by sex and youth have been different. While in the national total there was a reduction of 7.3 pp. in men this reduction was 8.4 pp. In women and young people between 18 and 28, these reductions were 5.7 pp. and 5.5 pp., respectively (See Table 5). By geographical areas, the highest incidence of informal employment is concentrated in rural areas with percentages higher than 85% of those employed in this condition.

The National Development Plan 2018-202 aims to ensure that small producers, entrepreneurs and other population groups with unstable incomes in the informal sector improve productivity

One of the goals of the National Development Plan is to promote income generation and productive inclusion of vulnerable and poor populations in urban and rural contexts through entrepreneurship (Pact III-F-Objective 5). In compliance with the National Development Plan, Prosperidad Social, promotes entrepreneurship as well as food safety through programs as the following: Mi Negocio (My business project), Emprendimiento Colectivo (Colective Entrepreneurship), Tiendas para la Gente (Shops for people) and

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Manos que Alimentan (Hands to Feed), enhancing capacities of their participants and therefore income generation.

#### Mi Negocio (My business project)

This program is aimed to provide opportunities and to build on capacities when starting up a project. It begins with the training of the future entrepreneur through workshops on business topics to have a structured business plan. Subsequently, once the business plan is approved, funding support is provided for machinery and supplies acquisition, and it ends with a technical support to ensure sustainability. the program benefits people who meet the following requirements: i. Colombian Citizenship, ii. age between 18 to 65 years old, iii. required score of SISBEN africandescent or indigenous condition / victim of the conflict condition iv. identified business idea or business running.

Since 2016, Mi Negocio has benefited 60.000 low-income people throughout the country. During 2020 the investmentreached \$15 million USD.

#### Emprendimiento Colectivo (Colective entrepreneurship)

Emprendimiento Colectivo is aimed to strengthen organizations through the capitalization of assets, purchase or renovation of machinery and equipment to increase productivity Likewise, it provides technical assistance according to the identified needs for each of the organizations.

To participate, an organization must have at least 70% of the members who meet any of the following criteria: i. Colombian citizens registered in UNIDOS data-base, ii. Colombians who are registered in Attention and Reparation of Victims Unit data base, iii. Colombians in situation of vulnerability and poverty that have the required scores of SISBEN.

In 2020, Emprendimiento Colectivo benefited 234 organizations, delivering assets up to \$8.000 USD per organization and providing technical support. In total, Emprendimiento Colectivo invested last year \$ 3 million USD in 68 municipalities.

#### Tiendas para la Gente (Shops for people)

Tiendas para la Gente is an initiative which seeks to develop capacities and provide opportunities for economic relief for small-shop owners, who were affected by the pandemic COVID-19. Tiendas para la Gente is part of "Economía para la Gente" (Economy for people) strategy that makes up the portfolio of programs that were developed to respond to formal and informal micro-businesses affected by the 2020 economic crisis. The methodology considers five virtual workshops and three visits to monitor the progress of each of the projects. During the workshops the following topis are addressed: resilience, digital marketing, formalization management and financial inclusion. Additionally, a capitalization up to 2 million pesos (\$550 USD) in inventories of groceries, cleaning products and a biosafety kit to encourage the implementation of preventive measures for the contagion of COVID19. In 2020 1.747 small shop's owners were benefited in 15 cities highly affected by COVID19, and \$1 million USD were invested

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#### Manos que Alimentan para la Gente (Hands to feed)

Manos que Alimentan is part of the component of food safety and consumption support aimed at promoting the production of food for self-consumption and the promotion of healthy eating habits, Manos que Alimentan is planned to address emergency during the pandemic.

In 2020 Manos que Alimentan had accompanied 7,884 households in 35 municipalities. It includes 67 indigenous communities and 5 Afro-Colombian community councils. In 2020 had a total investment of \$13.5 million USD.

#### 3. Support small- and medium-sized enterprises

MSMEs are an important actor in the Colombian economy, so the National Government has a roadmap framed in the plan called "Commitment to Colombia" for their support and attention that promotes the recovery of the economy, taking into account the Covid-19 pandemic. This roadmap seeks not only its recovery, but its sustainability and growth, with strategies such as the following:

Financing: To meet liquidity and financing needs, Bancoldex and Innpulsa designed special credit lines with low interest rates and grace periods, granted through credit operations with commercial banks. These lines have national, regional and sectoral approaches. Through them, around \$1.8 billion were disbursed through companies. To date, \$1.5 has been disbursed, of which 880 thousands millions has been directed to small and medium-sized companies.

In addition, the Special Guarantee Program "Unidos por Colombia" was created with a quota of \$ 25.5 billion aimed at supporting loans for Payroll (90% coverage); Working Capital (80% coverage); Independent Workers (80% coverage); and sectors most affected (90% coverage), among other lines. To date, \$ 15.8 billion in loans have been leveraged, of which \$ 8.9 billion have been for small and medium-sized companies.

Payroll subsidies: The Formal Employment Support Program - PAEF was created, which established a subsidy equivalent to 40% of a minimum wage for all workers of companies that during the pandemic had a decrease of at least 20% in your billing. For this, \$5.8 billion has been disbursed, of which around \$ 1.2 billions were for small and medium-sized companies.

#### Business transformation:

The National Government has implemented several programs to increase productivity, such as the "Fábricas de Productividad" Program, where 1,220 companies were served in 2020, of which 93% are MSMEs; "Compra Lo Nuestro", which is the Matching Services Program with a web platform in operation since April 2019 (www.compralonuestro.co) that has become more relevant since the emergence of COVID-19 with the inclusion of tools for transformation digital of MSMEs, in which more than 23 thousand Colombian companies have participated, of which 27% are SMEs; Programa de Desarrollo de Proveedores that through technical assistance seeks to close gaps with respect to buyer demand and insertion into value chains, achieving the intervention of 197 SMEs in the shipyard, aerospace and processed food sectors; Centros de Transformación Digital whose objective is to accompany MSMEs through individual and confidential technical

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assistance, virtual or face-to-face, so that they can start their path towards digital transformation and take advantage of new business strategy opportunities that arise thanks to the emergence of technologies.

This strategy is executed in conjunction with MinTIC and iNNpulsa. To date and since the program began in 2018, 11,073 companies have been served through the operation of 18 Centers; 3,426 companies with ICT solutions and more than 10,000 companies with an increase in the level of digital transformation maturity; among other programs of relevance in the situation. In 2019, the contribution to the manufacturing GDP of MSMEs in Colombia raised to 33%, according to the OECD report for that year.

### 4. Promote an enabling, fair and responsible environment for business and innovation

According to the Doing Business 2019 -2020 index, the time in days to open a company in the country indicates that while in 2019 this time was 11 days, in 2020 it was 10 days. This taking into account that in 2019, Resolution 0013 of February 15 was issued, where the DIAN eliminated the requirement to open a bank account.

#### Sustainable Prosperity for All Items

#### 1. Diversify of the urban economy and promote cultural and creative industries

Colombia understands entrepreneurship as the source of economic development, innovation and job generator. Entrepreneurship makes economic development and poverty reduction possible. The National Government has given special relevance to competitiveness agencies and to support entrepreneurship by developing public policy documents, laws, creating institutions, programs and tools to support small and medium businesses (Mipymes).

The National Development Plan (PND) 2018-2022 "Pact for Colombia, Pact for Equity) seeks to achieve social and productive inclusion, through entrepreneurship and legality: legality as the seed, entrepreneurship as the stem and equity as the fruit to build the future of the country.

Moreover, the PND in the Pact for Entrepreneurship and Productivity stablishes the need to improve business' productivity through the promotion of formal, innovative and highly competitive new businesses that contribute to the reduction the dependance on the traditional economic sectors.

Additionally, the Entrepreneurship National Policy (2020) seeks to settle the environment for the creation, sustainability and growth of entrepreneurs that contribute to job creation, wealth and business' globalization. This policy outlines a detailed plan to achieve these goals through 5 mechanisms: 1. Enhance and development of an entrepreneur's culture; 2. access to innovative financial funding; 3. Strengthening of sales strategies; 4. Technological development and innovation; 5. Capacity building in public institutions to give efficient, pertinent and evidence-based support to enable entrepreneurships to succeed.

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The Entrepreneurship National Policy also seeks to develop the evaluation methodologies of its mechanisms as well as the creation of an Entrepreneurship Observatory aiming to improve the data available regarding entrepreneurship determinants and impact to improve the design of better and more assertive public policies to support Mipymes.

Following the Orange Economy framework, cultural diversity and creativity are the pillars of social and economic transformation, from a region perspective. This model is based on the creation, production and distribution of cultural and creative goods and services subject to intellectual property rights.

Economic activities are distributed into three groups: arts and heritage, cultural industries and functional creations comprising 103 economic activities (69 of partial inclusion and 34 of total inclusion) u the

One of the main strategies of the Orange Economy is the Orange Development Areas approach (ODA - Acronym in Spanish: ADN), which purpose is to integrate artists, creators, entrepreneurs, infrastructures and cultural facilities, in order to consolidate the processes of creation, production, circulation, distribution and access to cultural and creative manifestations, goods and services in delimited intervention areas

Among ODAs 'main objectives are the following: to strengthen and recover the social and economic fabric of territories based on sustainable principles, to generate creative employment and added value, and to integrate the identity, heritage, vocation and cultural dynamics of cities with other areas, sectors and markets o at the municipal, regional, national and international levels.

Colombia has already 44 Orange Development Areas in 19 municipalities:. Medellín (1), Barranquilla (1), Riohacha (1), Villapinzón (1), Cali (2), Girardot (1), Montería (1), La Ceja (1), Villa del Rosario (6), El Banco (2), Ibagué (1), Ciénaga (1), Villavicencio (2), Valledupar (3), Bucaramanga (2), Envigado (1), Bogotá (12), Barrancabermeja (1) and Puerto Colombia (1).

There is also a tax incentive reduction- mechanism incentive that complements the ODAs, which is called the call of the "Colombia Crea Corporation Program", in which a deduction is granted in liquid income in the amount of 165% of the investments or donations made to Orange Economy projects, Special plans for the safeguarding of manifestations registered in representative lists of intangible heritage (law 1185 of 2008) and projects related to the infrastructure of public performances of the performing arts.

In the 2020 call, such incentive granted a project support of \$304 billion pesos for 339 projects, in 84 municipalities. For 2021, the National Council of the Orange Economy has approved \$600 billion pesos more to leverage these projects.

As a result of the COVID emergency during 2020, the labor market in the cultural and creative sector was highly affected. In this sense, as part of a economic reactivation strategy financial solutions, reliefs and incentives, assistance and accompaniment mechanism were implemented positively impacting around 100,000 jobs is estimated. On the other hand, during 2020 the Formal Employment Support Program (FESP – Acronym in Spanish: PAEF) was implemented to support and protect formal employment through a direct subsidy to the payroll of workers. As a result, in October 2020, 116,017 orange jobs

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had been saved, representing around 19.5% of the jobs reported in 2019. Most of these jobs were concentrated in the creative industries sector (functional creations) with 57,543 jobs, followed by cultural industries (arts and crafts, theater, etc.) (37,350) and finally, heritage with 21,124 jobs. Additionally, it can be observed how the FESP Program, enabled via Decree 286, supported the creation of 4,789 formal jobs between 2019 and 2021.

#### 2. Develop technical and entrepreneurial skills to thrive in a modern urban economy

The Entrepreneurship National Policy (CONPES 4011 of 2020) was design with a 5 years horizon, so the enforcement of its guidelines and specific actions are expected for the period 2021-2025

This Policy defines strategies to improve technical knowledge and hard skills among the entrepreneurs' community, such as accounting, management and financial control. It also seeks to train and foster the use of technological tools on a case-by-case basis. The Ministry of Information Technologies and Communication with the support of the Trade, Industry and Tourism Ministry, the Administrative Department for Social Prosperity and the Agriculture and Rural Development Ministry will design and implement a set of access mechanisms and use of technological tools for the development of digital entrepreneurships of poor, victims and vulnerable population, as to reduce the digital gap.

#### 3. Develop urban-rural linkages to maximize productivity

In 2014, the national government adopted the national urban policy (CONPES 3819); The guidelines of such policy consider the situation of the urban centers and the evolution of urban development policy, and elaborate proposals and strategies to improve the management of urban development in the country. It is aimed at "consolidating cities that are more compact, more sustainable, more equitable and with the ability to manage and finance their own development".

Based on the mandate of the National Development Plan 2010-2014 (Government of Colombia, 2010) of establishing a long-term policy to consolidate a System of Cities, and with the powers granted by the Organic Law on Land Management (LOOT) (Government of Colombia, 2011), the National Planning Department (DNP) formed in 2012 with the Mission of the System of Cities: "composed by a team of national and international experts supported by UN-Habitat. In the development of the Mission entities of the Government, unions, associations and federations, universities, research centers, international organizations and multilateral banks participated. The mission produced a technical document with a complete analysis and diagnosis of the urbanization process in Colombia, based on 17 thematic studies, which also includes a proposal of characterization of the System of Cities, and policy guidelines structured from the six strategic priorities defined by the Mission" (Government of Colombia, 2014b).

The 2014 CONPES 3819 included the following strategies:

1. Promoting urban renewal and redensification. In addition to a tax exemption, it provides housing subsidies for renovation or re-densification, urban land with a re-densification program oriented at municipalities to create Urban Management Laboratories, resources for real estate management, appraisal methodology for renovation and re-





densification, public services with the participation of the service providers, funding for recovery of historic centers, and policy for property rental.

- 2. Improving the conditions of slums: overall improvement of neighborhoods and massive land titling.
- 3. Promoting mechanisms for generation, improvement and sustainability of public spaces: technical assistance programs and support projects of public space in the cities, public space management plans in cities and accessibility within the framework of the disability policy.
- 4. Improving mobility in cities: technical assistance to cities, promotion and support of integrated mass transportation systems, and in cities of less than 600,000, technical assistance for setting the road plan.
- 5. Preventing and mitigating urban environmental risks: incorporation of evaluation and risk reduction in planning instruments.
- 6. Improving the quality of urban expansion areas: strengthen the program of real estate banks in cities and the promotion of integrated urban operations.

The "Sustainable Vision and Green Growth," line aims to develop comprehensive urbanplans for rural and urban areas, to strengthening of intermediate planning instruments, to improve the development and management of rural areas, and to update of rural cadaster.

Consequently, the CONPES' action plan determined the following tasks in charge of the national government:

- To formulate policy guidelines for sustainable planning and development of rural areas oriented to land-use conflict resolution.
- To incorporate guidelines of social and productive development of rural land in the municipal land use plans and development plans.
- To define management instruments for rural land.
- To design a policy to modernize rural cadaster.

Following the action plan, in 2016, the Agricultural Rural Planning Unit (UPRA) issued the following essential guidelines and studies that have permitted advancing in the rural-urban linkages:

- Rural- territorial development guidelines for metropolitan areas and urban agglomerations.
- Formulation guidelines of the Rural Planning Units (UPR)
- Conflict-analysis of territorial and productive development which may impact the efficient use of rural land.

In 2016 the national government also issued the Policy for the definition and implementation of a multipurpose urban and rural cadaster (CONPES 3859,) defining the following strategies:

• To advance towards the definition of cadastral values according to the economic potential of the land.





- To produce and update the basic cartography of the country under defined standards.
- To densify and consolidate the geodesic network.
- To guarantee the relation between multipurpose cadaster and property registration.
- To strengthen the institutions in charge of cadaster.
- to adequate mechanisms for information access and data interoperability

The national government has also accompanied the formulation of comprehensive agendas, addressing the following topics: competitivity, science, technology, and innovation for seven departments (Arauca, Atlántico, Cauca, Cesar, Norte de Santander, Risaralda y Sucre). This exercise has allowed the identification of economic sectors and strategic projects that may contribute to the departments' development.

#### ENVIRONMENTALLY SUSTAINABLE AND RESILIENT URBAN DEVELOPMENT

#### Resilience, Mitigation and Adaptation of Cities and Human Settlements Items

#### 1. Minimize urban sprawl and loss of biodiversity resulting from it

Based on Decree 2372 of 2010 that defined the conformation of the National System of Protected Areas and its management categories that comprise it, Colombia currently has the Unique Registry of Protected Areas (RUNAP) in which there have been 1,330 protected areas registered both in continental and marine level, with which the last update of the National System of Protected Areas and the management categories that comprise it was configured, Colombia currently has the Unique Registry of Protected Areas (RUNAP) in which there are 1,330 protected areas registered both at the continental and marine level.

Category	Number
Distritos Nacionales de Manejo	4
Integrado	
Distritos Regionales de Manejo	109
Integrado	
Distritos de Conservación de Suelos	18
Parque Nacional Natural	43
Parques Naturales Regionales	60
Reserva Natural	2
Reserva Natural de la Sociedad Civil	916
Reservas Forestales Protectoras	58
Nacionales	
Reservas Forestales Protectoras	96
Regionales	

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Santuario de Fauna	1
Santuario de Fauna y Flora	9
Santuario de Flora	2
Vía Parque	1
Área Natural Única	1
Áreas de Recreación	10
Total	1330

According to the Agustín Codazzi Geographical Institute, Colombia has a total area of 207,040,800 Ha, spread over a continental area of 114,174,800 Ha and a maritime area of 92,866,000 Ha, of this area, according to RUNAP, there are 31,226 registered. 370.35 Ha of which 18,783,669.94 Ha are terrestrial protected areas and 12,442,700.41 Ha are maritime protected areas.

Thus, 15% of the total area of Colombia is under protected areas, 16% of the continental land and 13% of the maritime area.

By categories, the National Natural Parks are the category with the largest area of protection with 12,750,210 ha of which 408,698 Ha cover the maritime area and the second category of protection are the National Districts of Integrated Management with 9,318,767 Ha of which 8,972 .923 Ha corresponds to a maritime area.

## 2. Implement climate change mitigation and adaptation actions

From 2016 the National Government, in compliance with the Law 1523 of 2012 and of the New Urban Agenda, designed sectorial strategies to reduce vulnerability, increase resilience and capacity response to socio-natural threats and to foster climate change adaptation. The main actions are listed below:

## Housing, City and Territory Sector

The Ministry of Housing, City and Territory, in its function of providing technical and financial assistance to territorial entities, has promoted the incorporation of disaster risk management in territorial planning under the principles of gradualness, concurrency and subsidiarity, defining the minimum technical skills necessary to integrate the evaluation and zoning of the threat, vulnerability and risk in the decisions of local land use planning. Likewise, it has designed a strategy of technical and / or financial support for the incorporation of risk management in land use planning plans in municipalities prioritized by the Ministry due to their high level of vulnerability and importance for the consolidation of the Cities System Model.

The most significant improvements made by this sector since the implementation of the New Urban Agenda are described below:

## National Development Plan 2014-2018, "All for a new country":

• The issuance of Decree 1807 of 2014, (compiled in Decree 1077 of 2015 - Sole Regulatory Decree of the Housing Sector, City and Territory) where the conditions and detailed scales are established to gradually incorporate risk management in the review of municipal and district land use plans or in the issuance of a new plan.

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- 400 municipalities trained in the incorporation of disaster risk management.
- Development of the Methodological Guide and the app for the collection of information related to the inventory of settlements in areas of high risk of disasters.
- 250 municipalities trained in relation to the inventory of settlements in high-risk areas.

## National Development Plan 2018-2022 "Pact for Colombia, Pact for equity" (2018 - 2022):

- \$ 11,000 million Colombian pesos invested on the preparation of technical studies for the incorporation of risk management in land use planning plans. Currently 10 municipalities have benefited from this strategy. For which, agreements have been signed with universities and the Colombian Geological Service
- Technical support to 60 municipalities in the process of incorporating risk management in land use planning.
- Advances in the definition of guidelines for the territorial ordering of marine-coastal cities, taking into account the high levels of physical and socioeconomic vulnerability of cities located on the Colombian Pacific coast [1].
- Updating of the app for settlements in high-risk areas to accompany the municipalities in the process of uploading information to the application. Issuance in 2020 of the Comprehensive Management Plan for Sectoral Climate Change PIGCCS, which includes the strategic line: Climate-resilient territorial development, which is articulated with disaster risk management.

The National Unit for Disaster Risk Management directs the implementation of disaster risk management, attending to sustainable development policies, and coordinates the operation and continuous development of the National System for Disaster Prevention and Response. The following main advances stand out:

In 2018 the "Guide for the integration of climate variability with disaster risk management at the territorial level" was elaborated in order to guide territorial entities in the implementation of mitigation actions and adaptation to climate change, through its incorporation into the different planning instruments. Likewise, an exercise was carried out to integrate the disaster risk management component in the 2020-2023 development plans for the 32 departments of the country.

The Risk and Disaster Management Unit - UNGRD and the Institute of Hydrology, Meteorology and Environmental Studies - IDEAM, presented the proposal of a new NDC 2030 Sheet, as part of the new commitments to be assumed by the country in compliance with the Paris Agreement. The goal of this project was to install 78 monitoring networks for alert systems for extreme hydrological events, which include, in addition to the existing and operating stations, 160 new alert systems for extreme hydrological events installed.

Meeting this goal will allow the coverage of connected SATs with real-time information to be expanded from 24% to 35%. Public service sectors, agriculture, environmental authorities and the territories will also participate in it.

In 2020, the Steering Committee of the National Plan for Adaptation to Climate Change, made up of the National Planning Department, the Ministry of Environment and





Sustainable Development, UNGRD and IDEAM, began the design of a public policy to reduce risk conditions in face of climate variability events. This seeks to build a multisectoral framework policy which integrates different environmental, disaster risk management, climate change and sectoral policies, to guarantee the adequate management of the phenomena that climate variability entails.

### **Environment and Sustainable Development Sector**

Colombia currently has a national disaster risk management policy since 2012 and the National Disaster Risk Management System was established, additionally in 2014 the regulations related to the incorporation of risk management in the plans were updated. of territorial ordering and together with Law 1931 of 2018 that adopted the guidelines for the management of climate change, the country has a normative framework from which sectoral strategies are defined to advance in the reduction of vulnerability, increase resilience and capacity to respond to socio-natural hazards, and promote adaptation to climate change.

In addition, the Risk and Disaster Management Unit developed in 2018 the "Guide for the integration of climate variability with disaster risk management at the territorial level" in order to guide territorial entities in the implementation of actions of mitigation and adaptation to climate change, through its incorporation into the different planning instruments.

Based on the instruments framed in the national regulations and policy, local governments have incorporated in their Land-use Plan and Climate Change Management Plans at the municipal, district or metropolitan area level, what is related to the risk reduction strategies of disasters.

With regard to the Comprehensive Climate Change Management Plans at the municipal, district or metropolitan area level, 16 municipalities have this instrument, and they are: Bogotá, Cali, Envigado, Montería, Tópaga, Pitalito, Metropolitan Area of Valle de Aburra (AMVA).

There are also plans with a focus on Adaptation: Cartagena and the Mojana region. In addition to the establishment of portfolios of GHG adaptation and mitigation projects in Manizales, Pereira, Medellín, Valledupar, Buga, Tuluá, Buenaventura, Palmira, Dagua, La Cumbre, Restrepo Alcalá, Cartago, and Jamundí.

With regard to the incorporation of disaster risk management in their Land Use Plans, 100% of the municipalities of Colombia since 2000 have incorporated their risk management component, however, according to statistics from the Ministry of Housing, City and Territory currently 842 municipalities are in the process of updating their Land Use Plans under the most recent regulations.

Based on this current situation of updating the Land-use Plans, the Ministry of Housing, City and Territory has been carrying out the following steps since 2014:

• 400 municipalities trained in the incorporation of disaster risk management.

• Development of the Methodological Guide and the application for the collection of information related to the inventory of settlements in high-risk disaster areas.





• 250 municipalities trained in relation to the inventory of settlements in high-risk areas.

• Investment of close to \$ 11,000 million Colombian pesos, in the preparation of technical studies for the incorporation of risk management in land use planning plans. Currently 10 municipalities have benefited from this strategist. For which, agreements have been signed with universities and the Colombian Geological Service.

• Technical support to 60 municipalities in the process of incorporating risk management in land use planning.

• Advances in the definition of guidelines for the territorial ordering of marine-coastal cities, taking into account the high levels of physical and socioeconomic vulnerability of cities located on the Colombian Pacific coast [1].

• Updating of the application for settlements in high-risk areas developed by the MVCT to accompany the municipalities in the process of uploading information to the application

<sup>[1]</sup> Foro realizado en conjunto Ministerio de Vivienda Ciudad y Territorio y la Universidad Nacional de Colombia en 2019: "Retos en el ordenamiento territorial de ciudades marino-costeras: Terrenos ganados al mar y zonas de bajar desde una perspectiva integral".

<sup>11</sup> Foro realizado en conjunto Ministerio de Vivienda Ciudad y Territorio y la Universidad Nacional de Colombia en 2019: "Retos en el ordenamiento territorial de ciudades marino-costeras: Terrenos ganados al mar y zonas de bajar desde una perspectiva integral".

In accordance with Law 1931 of 2018, the Territorial Climate Change Plans (PIGCCT) are the instruments through which the governments and regional environmental authorities, based on the vulnerability analysis and inventory of regional greenhouse gases or other instruments, identify, evaluate, prioritize and define measures and actions for adaptation and mitigation of GHG emissions, to be implemented in the territory for which they have been formulated.

The plans must be formulated and updated for each of the departments under the responsibility and coordination of their governorates, the respective regional environmental authorities, according to their jurisdiction, and National Natural Parks of Colombia.

Plans may be formulated on a more detailed scale for cities and metropolitan areas (as established by the CICC), which will structure their intervention in the territory to incorporate climate change management into their development and territory planning processes. in the different strategic lines defined in this policy. The responsibility for the formulation of these plans will fall on the mayors or directors of the metropolitan areas, as the case may be, with the technical support of regional environmental authorities and other local actors, in harmony with the respective climate change territorial plan climate at the departmental level.

The departmental PIGCCT formulated to date are twenty-five (25), of which twenty-three (23) respond to a comprehensive nature and two departments Córdoba and San Andrés deal only with the adaptation component. At this moment six (6) Departments are in the process of formulating their PIGCCT, Amazonas, Vaupés, Guaviare and Caquetá in the Amazon region, which are in an advanced phase, Sucre in the Caribbean region is





reorganizing the process, resources, work teams and a roadmap to continue and Boyacá that already has the process underway. Thus, only the department of Bolívar remains to specify the start of its respective PIGCCT formulation process.

An exercise was carried out to integrate the disaster risk management component in the 2020-2023 development plans for the 32 departments of the country.

According to the latest annual air quality report carried out by the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM), for 2019 a favorable evolution of the indicators of compliance with the National Development Plan and the Sustainable Development Goals was found, in such a way that, for particulate matter less than 10 microns -PM10, the percentage of stations that meet both the criterion of temporal representativeness of the data, and intermediate objective 3 of the WHO Air Quality Guidelines, It went from 30.1% in 2018 to 33.7% in 2019, denoting a gradual transition towards meeting the goal of 35% projected to the year 2022 defined in the PND and the goal of 70% projected to the year 2030 established in the SDG. The detail of the air quality data by municipality is presented below (the tables present the annual average considering the different monitoring stations that operate in each municipality and taking into account only the stations that reached a temporal representation greater than 75%).

PM10				
Municipality	Number of stations	Annual average Minimum for the city		Annual average Maximum for the city
Agustín Codazzi	1	28,2	28,2	28,2
Barbosa	1	26	26	26
Barranquilla	4	36,1	38,3	40,2
Becerrill	1	41,8	41,8	41,8
Bogotá, D.C.	24	24,7	34,7	57,7
Bucaramanga	8	29,4	30,9	34,8
Caldas	1	33,6	33,6	33,6
Cali	10	33,1	40,8	50,3
Chiriguaná	3	25	29,5	34,8
Ciénaga	4	37,4	41,6	46,3
Cogua	2	28,3	28,3	28,3
Copacabana	1	32,6	32,6	32,6
El Paso	4	43,5	49,3	62,1
Funza	1	33,6	33,6	33,6
Girón	2	42,9	43	43,1
Itagüí	2	34,2	38,0	41,9
La Estrella	1	43,2	43,2	43,2
La Jagua De Ibirico	5	30,2	39,3	54,2
Manizales	5	19,7	24,7	32,3

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Municipality	Number of stations	Annual average Minimum for the city	Annual average for the city *	Annual average Maximum for the city
Medellín	3	26,7	32,4	38,4
Montelíbano	4	24,7	27,6	30,9
Mosquera	2	31,3	31,3	31,3
Neiva	2	10,6	17,6	24,6
Nobsa	4	28,9	32,0	35,1
Palmira	2	22,8	22,9	22,9
Ráquira	2	49,8	49,9	50
Sabaneta	1	51,2	51,2	51,2
Santa Marta	4	31,7	37,7	42,1
Sibaté	2	17,8	17,9	18
Sogamoso	4	30,6	40,7	50,8
Soledad	2	49,5	49,6	49,6
Sopó	2	33,3	33,4	33,4
Tocancipá	2	17,4	17,5	17,5
Valledupar	2	17,1	23,7	30,2
Zipaquirá	2	39,5	39,6	39,7

\* El Ministerio de Ambiente y Desarrollo Sostenible como cabeza del sector no recomienda emplear el promedio de ciudad como referente del estado de la calidad del aire, sino que resalta la importancia de analizar los datos por cada estación.

PM2.5				
Municipality	Number of stations	Annual average Minimum for the city	Annual average for the city *	Annual average Maximum for the city
Agustín Codazzi	1	15,4	15,4	15,4
Barranquilla	4	13,6	13,8	14,0
Bello	1	22,3	22,3	22,3
Bogotá, D.C.	22	13,6	18,2	36,2
Bucaramanga	6	14,6	15,9	16,7
Cali	6	16,2	21,5	25,9
Chiriguaná	2	7,5	9,1	10,6
Cogua	2	10,7	10,7	10,7
El Paso	4	13,2	16,9	20,7
Floridablanca	2	14,0	14,0	14,0
Girón	2	19,7	19,8	19,8
La Jagua De Ibirico	3	10,4	14,2	19,3

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Municipality	Number of stations	Annual average Minimum for the city	Annual average for the city *	Annual average Maximum for the city
Manizales	1	14,0	14,0	14,0
Medellín	1	22,8	22,8	22,8
Mosquera	2	13,5	13,6	13,6
Nobsa	4	14,7	18,6	22,5
Ráquira	2	20,5	20,6	20,6
Santa Marta	1	13,4	13,4	13,4
Sogamoso	2	16,1	16,1	16,1
Soledad	2	17,8	17,8	17,8
Sopó	2	22,7	22,8	22,8
Tocancipá	2	9,3	9,3	9,3
Valledupar	1	17,2	17,2	17,2
Zipaquirá	2	15,1	15,2	15,3

el promedio de ciudad como referente del estado de la calidad del aire, sino que resalta la importancia de analizar los datos por cada estación e monitoreo

In Colombia 15,681 deaths a year are attributed to the effects of air pollution. 64% attributable to Particulate Material. This research concludes that deaths associated with poor air quality are mainly caused by ischemic heart disease (IHD) and chronic obstructive pulmonary disease (COPD) [INS; Nov 2018].

## 3. Develop systems to reduce the impact of natural and human-made disasters

The country has a national disaster risk management system created by Law 1523 of 2012. The system is the set of national entities of public, private and community order that, articulated with the policies, norms and resources, aims to carry out the social process of risk management with the fundamental purpose of protecting life, property, and community culture against unintentional natural or anthropogenic events in order to have a healthy environment and sustainable development.

The National Disaster Risk Management System is made up of 6 guidance and coordination bodies. These are: i) National Council for Risk Management ii) National Unit for Disaster Risk Management iii) National Committee for Risk Awareness iv) National Committee for Risk Reduction v) National Committee for Disaster Management vi) Departmental, district and municipal councils for risk management.

At the level of management processes, the following actions are carried out:





• Risk Awareness: Identification of risk scenarios, risk analysis and evaluation, monitoring and follow-up of risk and its components and communication to promote greater awareness of it that feeds the risk reduction and disaster management processes

• Risk Reduction: Intervention aimed at modifying or reducing existing risk conditions and avoiding new risks in the territory. Risk reduction is advanced through corrective intervention of existing risk, prospective intervention of new risk and financial protection.

• Disaster management: Preparation for emergency response, preparation for postdisaster recovery, the execution of said response and the execution of the respective recovery, understood: rehabilitation and recovery.

On the other hand, it is worth mentioning that the country has the Institute of Hydrology, Meteorology and Environmental Studies - IDEAM, created under Law 99 of 1993. IDEAM has a system for observing and measuring all the components of the natural environment: anthroposphere, atmosphere, hydrosphere, cryosphere, biosphere and lithosphere generated by the national meteorological network.

The information produced by IDEAM allows the creation and parameterization of alarms in accordance with the standards defined by the Institute. Eg: setting of alarms in the hydrological network when the thresholds defined for the flood levels are exceeded.

There are hydrological stations, through which data on water levels and gauges are collected in order to know the behavior of a particular current and meteorological stations, in which observations and specific measurements of the different meteorological parameters are made using appropriate instruments, with the in order to establish the atmospheric behavior in the different areas of a territory. The data collected and processed is supplied to different users for the preparation in real time of meteorological analyzes, forecasts and warnings of severe weather, for the study of the climate, for local operations sensitive to meteorological conditions (for example, local flight operations at aerodromes or construction work on land and sea facilities), for hydrology and agricultural meteorology, and for meteorological and climatological research purposes.

### IDEAM has:

Meteorological Network: This network includes the stations where atmospheric parameters are measured and is made up of several networks: rainfall network, climatological network, Agrometeorological network, synoptic network and aerological network. The main purpose of this network is the study and monitoring of the climate.

- Rain Gauge Network: It is the network with the highest coverage nationwide in which the precipitation measurement is made with continuous records in rain gauges or by direct observations made once a day in a rain gauge.

- Climatological Network: This network is made up of the so-called climatological stations in which, in addition to precipitation, meteorological variables such as temperature, air humidity, sunlight, wind (direction, route and speed) and evaporation are measured. , with the purpose of obtaining the variables used for the monitoring and study of the climate. In the climatological stations, data are taken three times a day (7-13-19) or are continuously recorded.

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- Agrometeorological Network: They are climatological stations, complemented with the measurement of soil variables such as humidity or pore tension for the purposes of agrological studies, these stations are distributed in existing agricultural areas and located within experimental stations or research institutes applied dedicated to agriculture, horticulture, livestock, forestry and soil science. The data are measured in the same hours as the weather stations.

- Synoptic Network: It is the basic network for monitoring, diagnosing and forecasting the weather, which are located mainly in the country's airports. At these stations, hourly observations and measurements of temperature, humidity, atmospheric pressure, winds, precipitation and atmospheric phenomena are carried out mainly.

- Aerological Network or Radio Sonde: At these stations, measurements of meteorological variables (temperature, relative humidity, atmospheric pressure, wind direction and speed) are measured at different heights in the atmosphere by means of radiosonde.

- Tidal Gauge Network: Their objective is to monitor the level, surface temperature, salinity and some other physical parameters of the sea. This component of the network is a tool for providing the Mareographic Service, which is one of the functions of IDEAM. Likewise, the Pacific tide gauges support the El Niño Phenomenon Regional Study Program - ERFEN and together with the Caribbean tide gauges are part of the global sea level monitoring network.

Hydrological Network: In this network the levels are observed, measured and / or recorded directly or indirectly, the flows are obtained; In some stations, sediment samplings are made, from which the concentration and transport of suspended sediments are obtained, the information necessary for determining the status and management of the water resource.

In 2020, The Nation	al Unit for Disaster	r Risk Management	had a natio	onal deployment to
attend local-emerger	icy events:			

Emergency events 2020: 3.985				
Departaments	32			
Municipalities	926			
Deceased	406			
Injured:	962			
Affected peoples:	652.716			
Affected families:	159.488			
Destroyed houses:	2.308			
Damaged houses	69.484			

In 2020, the risk analysis and evaluation processes made it possible to characterize the threat and establish intervention and response actions in the face of the national social and health emergency and in t particular, to the effects produced in the rainy season and the impact of Hurricanes ETA and IOTA.

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The national government worked with the 32 Departments across the country to deal with different risk scenarios, as well as to implement disaster risk management projects included in the Departmental Development Plan. Additionally, the government deployed a support process in Early Warning systems in response to event of torrential floods, landslides, fires and other emergencies in the national territory. In 2020 Colombia accounted for six accredited teams trained to meet the highest quality standards under international methodologies.

In addition, 28 virtual meetings were developed by the National Accreditation Working Group (NAWG). to continue to achieving the high-quality accreditation in 2021 for all members of the strategy.

International Response

Colombia has 1 USAR-COL 1 team from the National Disaster Risk Management System. During 2020, it maintained its International Classification level as medium level by the International Search and Rescue Advisory Group (INSARAG).

## Sustainable Management and Use of Natural Resources Items

### 1. Strengthen the sustainable management of natural resources in urban areas

Within the framework of the Urban Environmental Management Policy, urban environmental quality indicators for Colombian cities are monitored, there is an indicator associated with the urban green area per inhabitant, which represents the areas with natural and ecological values in the cities. urban areas, which contribute to the maintenance of biodiversity and the provision of essential environmental services for the improvement of environmental quality and the quality of life of the population. The indicator includes the green area within the urban perimeter officially adopted in the municipal land use plan in force for each reporting period. This indicator includes measurements of:

- Public or private areas.
- Areas with natural and semi-natural covers, such as water bodies, wetlands, rounds, mountains, hills, beach areas, biological corridors, urban parks or green road connectors, among others.
- Soft areas of equipment, infrastructure and all types of buildings located within the urban perimeter of the city. In public squares, playgrounds, gardens, sports venues, educational centers, building environment. In the same way, the functional areas of the city road system, road separators, soft areas surrounding bridges, viaducts, etc.
- Natural and green covers in buildings such as green roofs and vertical gardens

It is highlighted that the cities of the Andean area mark a trend of very high ratings, led by Cúcuta, which for 2015 reported an indicator of (19.76 m2 / inhab), followed by Bucaramanga (12.25 m2 / inhab), Bogotá (11.26 m2 / room) and Medellín (9.13 m2 / room). Highly rated are the cities of Ibagué (6.18 m2 / inhab.) And Soacha (6.81m2 /





inhab.). With an average rating, the city of Cali is located, which reports for the year 2017 (5.4 m2 / inhab.).

The cities of the Caribbean region show a different behavior, the indicators obtain low scores and are far from the benchmark of 9 m2 / inhab. The cities of Cartagena (4.85 m2 / inhab.), Soledad (4.42 m2 / inhab.) And Barranquilla (3.1m2 / inhab.) Are located.

Green area area	Green area area per inhabitant (m2 / hab.)					
Citie	2013	2015	2017			
Barranquilla	7,39	2,7	3,1			
Bogotá D.C.	3,9	10,07	11,26			
Bucaramanga	7,72	12,26	12,25			
Cali	5,93	5	5,4			
Cartagena	1,12	2,91	4,85			
Ibagué	7,27	7,13	6,18			
Medellín	9,36	9,3	9,13			
Soacha	Dato inválido	dato inválido	6,81			
Soledad	no reporta	1,46	4,42			

### 2. Drive resource conservation and waste reduction, reuse, and recycling

Since 2013, the Environment Ministry proposed the Urban Environmental Quality Index (ICAU), the purpose of which is to add information on the most relevant elements of the state of environmental quality and environmental management carried out in urban areas, through simple indicators that allow measuring and monitoring quantitative changes of relevant elements of urban environmental quality, at a certain point in time or between periods of time.

Among the indicators that have been measured is Used Solid Waste, an indicator applicable to cities with more than 100,000 habitants. This indicator seeks to recognize that although the separation and use of waste contribute to the improvement of the quality of urban habitat, it is ideal that, from responsible consumption practices, and actions within the framework of the circular economy, the amount of waste is reduced generated and measures are implemented for their use and recovery.

In cities with a population greater than 500 habitants, a trend is observed in low and very low grades in the cities of the group. In Medellín between 2013 and 2015 the ICAU rating for this indicator decreased, going from "high" to "medium", however, in 2017 it improved again. A similar behavior is observed in Bogotá, where between 2015 and 2017 the indicator's rating went from "medium" to "very high". Cali remains in a "high" rating in these last two periods. These three cities registered the best ICAU rating for the indicator in 2017.

Soacha and Ibagué show a decrease in the percentage of solid waste used, going from a "very high" and "low" rating in 2015 to "very low" in 2017, respectively.

Barranquilla and Bucaramanga have remained in a "very low" rating during the three reporting periods. On the other hand, Soledad shows a better rating of the indicator between 2013 and 2015, however, it is not possible to track the behavior of the indicator





due to lack of data. In Cartagena, the indicator obtained a "low" rating in 2015, this being the only period with valid information. In 2017 Cúcuta had a "very low" rating in waste use, this being the first period in which the indicator is reported.

In 2017, the highest percentage of solid waste utilization is registered in Bogotá, followed by Medellín and Cali, with more than 15% utilization. Between 2015 and 2017, the percentage of used solid waste tends to decrease, the only urban areas that show better results are Bogotá, Medellín and Barranquilla.

Compared to per capita generation in 2017, Bucaramanga had the highest value, being 0.39 t / hab., Followed by Bogotá, Barranquilla and Cali with values between 0.33 and 0.34 t /hab. Cúcuta had the lowest generation of the group of cities, however, in 2017 it did not record the use of solid waste.

City	Generation capita (T / hab)	per
Barranquilla	0,33	
Bogotá	0,34	
Bucaramanga	0,39	
Cali	0,33	
Cúcuta	0,16	
Ibagué	0,3	
Medellín	0,31	
Soacha	0,2	

MinAmbiente 2019. Reportes ICAU 2013 – 2017 Autoridades ambientales

Although environmental authorities collect the data on the use reported by the cleaning service provider companies and those registered in the comprehensive solid waste management plans (PGIRS), estimating the amount of waste effectively used is still a challenge for the companies. cities, where the management carried out by trade recovery workers, independent wineries and productive sectors should be included.

With respect to cities with a population between 100,000 and 500,000 habitants, the indicator shows the percentage of solid waste that is being used (including all types of use) in the urban area with respect to all the waste generated. In the Caribbean region, the highest percentage is registered in the urban area of Maicao with 6.95%. The cities of Malambo and Montería do not report in this region. In the North Andean region, the highest value for the indicator is registered in the urban area of Bello with 11.14%, the cities of Apartadó and Envigado do not report. In the Eastern Andean region, the highest value is registered in the urban area of Facatativá with 6.8%. No data are reported in the cities of Floridablanca and Girón. In the South Andean region, the highest percentage of used solid waste is recorded in the urban area of Neiva with 5%. In the Orinoquia region, the urban area of 0.29%. In the Pacific region, Yumbo registers the highest percentage, 14.94%. The urban areas of Barrancabermeja, Buenaventura, Ciénaga, Ipiales, Palmira, Popayán, San Andrés de Tumaco, Santa Marta and Valledupar did not register information in any period.

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The 5 urban areas with the highest percentage of used solid waste recorded in 2017 are: Ipiales (19.19%), Yumbo (14.94%), Pasto (11.92%), Bello (11.14%) ) and Itagüí (10.2%).

## 3. Implement environmentally sound management of water resources and urban coastal areas

Being consistent with the guidelines of public policy and within the framework of what is established in article 207 of Law 1450 of 2011, Decree 1120 of May 31, 2013 was issued "By which the Coastal Environmental Units -UAC are regulated. -and the joint commissions, the procedural rules and criteria are established to regulate the restriction of certain activities in seagrasses, and other provisions are dictated ". Its objective is to delimit the ten ordination and management units of the national coastal zone from the Coastal Environmental Units -UAC-, establish the management plan and integrated management of the Coastal Environmental Unit - POMIUAC, as the planning instrument through which defines and guides the planning and environmental management of these areas of the Colombian territory.

In December 2013, the formation of the first of the 10 joint commissions of the UACs was achieved, the Joint Commission of the Coastal Environmental Unit of the Northern Slope of the Sierra Nevada de Santa Marta - UAC VNSNSM and they are under review by the different authorities the proposed act of conformation of the remaining 9.

Progress was made with INVEMAR and IDEAM in the construction of the "Technical Guide for the Planning and Integrated Management of the Coastal Zone".

For the first time in the country, this regulation of the UACs opens the doors to promote with the twelve Coastal Regional Autonomous Corporations, National Natural Parks, the authorities of the large coastal urban centers the process of ordering 24,571,740 hectares of coastal areas of the country. That is, the total marine-coastal territory, which through this instrument will become an environmental determinant for the formulation of land use plans and schemes under the responsibility of the coastal governments and municipalities, as well as for the planning of activities. sectoral. In order to achieve this objective, MADS with the support of ASOCARS has been permanently providing support and technical assistance to the coastal CARs in the formulation of the Integrated Management and Management Plans of the Coastal Environmental Units -POMIUAC- for the different regions. from the country.

Additionally, strategic alliances have been established as mechanisms of cooperation and coordination between the different levels of government, institutions and NGOs in order to support the environmental management of the coastal marine territory through different instruments such as the beginning of the process of updating the map of ecosystems in its coastal marine component and the update of the seagrass map.

As a basis for land use planning, an updated map of Continental, Coastal and Marine Ecosystems at 1: 100,000 scale. The previous work has also been carried out in cooperation with the Agustín Codazzi Geographic Institute (IGAC) in order to have the best official cartographic base in the country.

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son de todos



## **EFFECTIVE IMPLEMENTATION**

## BUILDING THE URBAN GOVERNANCE STRUCTURE: ESTABLISHING A SUPPORTIVE FRAMEWORK

#### 2. Link urban policies to finance mechanisms and budgets

According to the Cash Operations methodology in Colombia, municipal income is divided into current income and capital income. Within current income, there are the municipalities' own income (tax and non-tax), in which the contributions of the Industry and Commerce Tax and the Property Tax stand out mainly. There are also included, to a lesser extent, other taxes and income from land value capture instruments. In addition, municipalities receive current income from transfers from other levels of government.

On the other hand, municipal governments receive capital income, which comes mainly from the General System of Participations and the General System of Royalties [2] The first one refers to conditional transfers from the national government in response to a constitutional mandate for the financing of health, education, drinking water and basic sanitation and those defined in Article 76 of Law 715 of 2001. The second one refers to the income from which results from the exploitation of non-renewable natural resources that and which are latter distributed to territorial entities according to the initiatives they present.

In the period from 2015 to 2019, municipal own revenues are percentage-wise higher in cities due to urban characteristics and a larger population, reaching 46.8% on average in large cities like Bogotá, Medellín, Cali, Barranguilla, Bucaramanga, Cartagena and Cúcuta, and 39.1% in their agglomerated cities. In a complementary manner, dependence on national transfers augment when the municipality is smaller and is closer to rural characteristics. It is particularly noteworthy that most of the cities that make up the Colombian city system, except those mentioned, have a dependency on conditional transfers from the national government of more than 60%. On average, municipalities own income have a dependency on transfers between 37% and 49.4%, as shown in Table 1.

<sup>[1]</sup> More information in the ffollowing link https://www.dnp.gov.co/programas/inversiones-yfinanzas-publicas/Paginas/Sistema-General-de-Participaciones---SGP.aspx

#### 3. Develop legal and policy frameworks to enhance the ability of governments to implement urban policies

In the last five years, significant regulatory advances have been accomplished, making it possible to improve the capacity of municipalities to implement urban and territorial development policies. The foregoing, in the process of consolidating municipalities' legal framework for land-use planning that began with the issuance of Law 388 of 1997 and that has been complemented with a robust sectorial regulatory framework in housing, public services, subsidies, land management, among others.

### a. Housing and Habitat Law (Law 2970 of 2021)

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Law 2079 of 2021 "Through which provisions on housing and habitat are issued" develops a set of instruments to guarantee access to housing, promote the effective management of developable land, promote quality land use planning and prioritize urban development and housing as a State Policy. "

The Law has the following objectives:

• Highlight the importance of quality housing and habitat as an engine for overcoming multidimensional poverty and dignifying colombians.

• Guarantee in the long term the effective exercise of the right to decent housing and habitat for all colombians.

• Design technical, administrative, legal and financial instruments that are considered necessary for the implementation of housing programs and projects in the modalities of housing acquisition, construction of VIS and VIP, improvement of housing and dignified rural environments, oriented to the development of an institutional offer to satisfy the requirements of the country.

• Reduce the quantitative and qualitative housing deficit in Colombia, by increasing subsidies, financing demand and promoting supply and developable land.

• Facilitate access to housing and habitat in decent conditions of equity, transparency and a differential approach.

• Satisfy the right to decent and quality housing, where essential public services and the provision of social infrastructure constitute mechanisms of articulation between housing and habitat, highlighting the importance of land use planning in the search for a balance between respect for the environment and land occupation, in order to guarantee the social function of property and the prevalence of the general interest over the individual.

• Consolidate healthy, resilient and sustainable territories, cities, communities and homes, aimed at increasing the quality of life of Colombians.

This law is based on principles that are aligned with those that support the New Urban Agenda: equity, decent and quality housing, transparency and efficiency, guarantee of accessibility to public services and quality equipment as pillars of improvement, regional integration, differential approach, sustainability, risk mitigation, articulation and integration of policies and non-regressivity

Among the central issues developed by the Law, the following stand out:

### (iii) Instruments for timely and efficient land legalization

The tools available to both municipalities, in the exercise of the public function of land use planning, as well as that of individuals who make use of the instruments provided for in the law, are strengthened.

## (iv)Transparency and efficiency in Land Use Planning (POT)

Within the process of formulation and adoption of territorial planning instruments, democratic participation in the POTs and information are strengthened to improve the management of the land use of the country's municipalities.

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## (v) Financial Instruments for housing

The instruments that enable the conditions for housing financing are complemented, introducing:

- Guarantees for home financing.
- Guarantees for mortgage bonds
- Restitution of the Family Housing Subsidy

## b. Decree 1232 of 2020 - Modifies Decree 1077 of 2015 in relation to the contents and procedures of land use plans

Law 388 of 1997, determined that the municipalities and districts must adopt the land use plan (POT), as an instrument to develop the land use planning process. To date, 90% of the total land use planning plans adopted since 2002 must carry out a review process of their contents so that they respond to the current conditions of the territory. According to data from the Colombian Federation of Municipalities, about 900 municipalities in the country have their land use plan expired in the long term and have not started the review and adjustment processes. This represents a huge challenge for the country in terms of technical and budgetary effort, but at the same time a window of opportunity for the incorporation of the aspects derived from the NAU and the SDGs.

For this reason, the National Government issued Decree 1232 of 2020, which modifies Decree 1077 of 2015, which seeks to contribute to the optimization of the territorial planning process. In particular, the contents are specified, the procedures for agreement, consultation, approval and adoption and its efficiency and transparency are promoted. This standard also defines and delimits the application of the different urban treatments to facilitate their interpretation and application, which allows a differentiated planning of urban land, recognizing its different possibilities and conditions.

### 6. Achieve women's full participation in all fields and all levels of decision-making

In Colombia, 12% of the municipalities have women mayors, only 6% of the departments are headed by a woman, and women have a 17% of participation in local Councils and Assemblies and 20% in the National Congress.

One of the flags of this Government has been Gender Equality as a fundamental pillar of development. Our first great achievement was to include in the National Development Plan "Pact for Colombia - Pact for Equity" a specific chapter which pursues to guarantee women participation in all sectors.

In 2018 it was elected the first Vice-president woman and for the first time was formed the first parity Cabinet.

We have worked on several strategies to impact women's quality of life, one of them focuses on encouraging women participation in decision-making scenarios. In order to achieve this goal, a parity requirement was included in the New National Electoral Code. The lists of candidates for Congress now must be made up of at least half women.

Moreover, recognizing the different conditions of women across the country, the Office of the Presidential Adviser on Equality for Women is working with local authorities to train





more than 10.000 women through the Political Training School Strategy to enable their participation in local, regional and national elections.

The political training school was launched in 2019 for women who planned to run for councils, assemblies, mayors and governorships, reaching an impact of around 30.000 women trained in two modalities, on site and virtual.

Based on the lessons learned from the first year, we started a Political Training School for all women in the country, through which we trained 1,107 women by the end of 2020 in association with the Universidad Sergio Arboleda and the Hanns Seidel Foundation.

At the Ministry of the Interior, there is a group called Directorate for Democracy, Citizen Participation and Community Action, that promotes the leadership, inclusion and participation of women in participation and decision-making processes, through promotion strategies and inclusive campaigns in three courses of action: in women strengthening capabilities, virtual Political Participation school for women and Attention to Violence against Women in Politics.

Women political participation by holding public position considering institutional, social and cultural dimension perspective analysis (elimination of discriminatory regulations regarding participation, the adoption of agender equality law)

In order to encourage the participation of women both in public administration and in all the field in which they wish to participate, a university chair of equity is being promoted as well as the use of the media as a social function to enact equity. Likewise, the government recognizes the need to guide regulations and media so as to education citizens regarding gender equality.

## • PLANNING AND MANAGING URBAN SPATIAL DEVELOPMENT

### 1. Implement integrated and balanced territorial development polices

With an urban population of 37.8 million inhabitants, Colombia is 76.4 per cent urbanized (2015 estimates, UN-Habitat, 2016). The country spreads over an area of 1,141,748 km2, and has a density of 43.8 inhabitants/km2 (Data Worldbank. org, 2017). Its land borders Panama, Venezuela, Brazil, Peru and Ecuador, while its sea is bordered by Panama, Costa Rica, Nicaragua, Honduras, Jamaica, Haiti, Dominican Republic and Venezuela.

Over the past 20 years, Colombia has been making important strides towards a national urban policy that is endowed with institutionalism and key management tools. In 1994, a Development Plan Organic Law was created, followed in 1997 by the Land Management and Development Law, which provided the framework for the creation of nearly 1,100, Basic Plans and Land Management Plans (LMP) by municipalities.

The 2011 Law 1454 is the Organic Law of Land Management (Government of Colombia, 2011), through which the standards for the political and administrative organization of Colombia's territory, and the guiding principles and instruments for territorial development, are established. In 2013, the Land Management Law was approved and its implementation recently started, characterized by a vision of integrated urban development, driven by mass transport, with urban connectivity understood as a central factor in productivity and





competitiveness, as well as a factor of social inclusion. It is implemented with the help of zonal planning with considerations of environmental sustainability and land management, and endowed with financial management tools for their development. One can speak of a significant step from planning to land management instruments.

The 2013 Law 1625 on the Regime for Metropolitan Areas (Government of Colombia, 2013) dictates standards to provide metropolitan areas with a political, administrative and fiscal regime, which, within the autonomy recognized by the Constitution and the Law, serves as a management tool to perform their functions.

In parallel of this legislative process, National Government Guidelines were elaborated, involving various national agencies for the implementation of the national urban policy (Government of Colombia, 2004); and urban institutions were consolidated with the creation of the Ministry of Housing, City and Territory. This national process also has local and regional expressions with the institutional renovation of institutes and public companies oriented to urban and housing development.

The national urban policy is based on the document of the National Council for Economic and Social Policy (CONPES), which is a coordination of the Council of Ministers and the National Planning Department. The guidelines of the national urban policy consider the situation of the urban centers and the evolution of urban development policy, and elaborate proposals and strategies to improve the management of urban development in the country. It is aimed at "consolidating cities that are more compact, more sustainable, more equitable and with the ability to manage and finance their own development".

Based on the mandate of the National Development Plan 2010-2014 (Government of Colombia, 2010) of establishing a long-term policy to consolidate a System of Cities, and with the powers granted by the Organic Law on Land Management (LOOT) (Government of Colombia, 2011), the National Planning Department (DNP) formed in 2012 with the Mission of the System of Cities: "composed by a team of national and international experts supported by UN-Habitat. In the development of the Mission entities of the Government, unions, associations and federations, universities, research centers, international organizations and multilateral banks participated. The mission produced a technical document with a complete analysis and diagnosis of the urbanization process in Colombia, based on 17 thematic studies, which also includes a proposal of characterization of the System of Cities, and policy guidelines structured from the six strategic priorities defined by the Mission" (Government of Colombia, 2014b).

In this framework, the Mission of the System of Cities was originally a technical product and was not planned to have a policy document. Eventually, it was turned into a public policy document: CONPES 3819 (Government of Colombia, 2014a). Much of the technical document of the Mission could be integrated into the CONPES 3819, which was approved on October 21, 2014. The document recognizes that Colombian cities have had an unbalanced growth: informal urbanization and slums represent 16 per cent of the 5 major cities of the country, developable land is growing scarce, and sprawl leads to depopulation and decay of the inner city.

In terms of policy, it recognizes "a difficulty in formulating regional policies and effectively linking urban development to economic and social development of the country." As a

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change in vision, Colombia proposes Urban Development Management, stating that "densified cities are desirable to the extent that it stimulates the concentration of activities, reduces commuting between residential areas and urban services and employment, promotes the reuse of existing infrastructure and structures, promotes the use of public transport and other alternative means, reduces the stress on the little land urbanization and avoids the sacrifice of conservation areas" (Government of Colombia, 2004). This approach is in line with the trends in Latin American urban development and the urban agenda for sustainable urban development.

Measurements crossing the NBI (necesidades básicas insatisfechas), or unsatisfied basic needs) with urban density illustrate the need for a national urban policy with a focus on environmental quality.

Environmental quality is linked to planned density (controlled heights and public spaces proportional to them); public pedestrian spaces (both in the built city and in the expansion); infrastructure for alternative means of transport articulated in an integrated system; public access to bodies of water; functional residential areas with social facilities; and private sector participation in the development of urban operations.

The 2014 CONPES 3819 included the following strategies:

- 1. Promoting urban renewal and redensification. In addition to a tax exemption, it provides housing subsidies for renovation or re-densification, urban land with a re-densification program oriented at municipalities to create Urban Management Laboratories, resources for real estate management, appraisal methodology for renovation and re-densification, public services with the participation of the service providers, funding for recovery of historic centers, and policy for property rental.
- 2. Improving the conditions of slums: overall improvement of neighborhoods and massive land titling.
- 3. Promoting mechanisms for generation, improvement and sustainability of public spaces: technical assistance programs and support projects of public space in the cities, public space management plans in cities and accessibility within the framework of the disability policy.
- 4. Improving mobility in cities: technical assistance to cities, promotion and support of integrated mass transportation systems, and in cities of less than 600,000, technical assistance for setting the road plan.
- 5. Preventing and mitigating urban environmental risks: incorporation of evaluation and risk reduction in planning instruments.
- 6. Improving the quality of urban expansion areas: strengthen the program of real estate banks in cities and the promotion of integrated urban operations.

The institutional and regulatory setting seek to "ensure that the public service of urbanism is fully assumed by local governments" in accordance with territorial development legislation and environmental legislation on issues of sanitation and solid waste



The CONPES 3819 also includes an action plan with 47 actions to implement the policy lines, which shows a 92,07% progress by 2020. Some of the most significant achievements are listed below:

- In 2016, the Commission of Territorial Development COT issued the guidelines and criteria for formulating the Regional Land Use Plans (Planes de Ordenamiento Departamental- POD), which must include policies on urban and human settlements related to risk management, climate change, heritage conservation, and orientations about land use (urban, rural, suburban, and towns). They have been relevant for many departments that have initiated their land use plans' formulation, one of them already enacted and under implementation.
- The Ministry of Housing issued the Director Plan of Water and Sanitation 2018-2030, which establishes aims related to water quality, contamination reduction, efficient use of the resources, and prior strategies for reaching them. According to this, the actual National Development Plan includes in its "Agreement VIII- qualified and efficient public services," the line B "Clean Water and adequate Sanitation," which reinforces the regional vision for public services supply and integrated water management.
- In 2018, the Ministry of Housing issued the Climate Change Management Plan, which establishes different strategies for sustainable construction, urban and territorial sustainable and resilient development, less vulnerable settlements, and resilient housing, among others. It also identifies the need for reinforcement of institutions and instruments and financing alternatives.
- From the CONPES 3819/2014, the National Government enacted others, such as the CONPES 3874/2016 that defines the Solid Waste Management National Policy and the CONPES 3819/2016 that includes the policy for issuing and implementing multipurpose urban-rural cadaster.
- On the other hand, an Intermodal Transportation Master Plan (PMTI) 2015-2035 was designed as a medium and long-term planning instrument to articulate transportation, logistics, and infrastructure to configure a network of intermodal corridors with modern specifications that help to connect large cities, ports, airports, and border crossings. It also defines guidelines for regional and municipal plans.
- In 2016, the national government issued Decree 528 to create and organize the National Accompaniment and Social Infrastructure System for the Free Housing Program (SNAIS). The National Government also enacted the Law 2082/2021, Capital cities statute, which created a new city category: "capital city." According to that Decree, those cities can receive the national government's functions if they demonstrate capacities to assume them. It also establishes horizontal cooperation mechanisms and conditions to create metropolitan areas.
- Another significant milestone was creating the System of Cities Observatory, which looks to consolidate information for monitoring cities in water, sanitation, sustainable construction, housing, and security.
- In 2016, the Agricultural Rural Planning Unit, UPRA, issued essential guidelines and studies that have permitted advancing in the rural-urban linkages: ruralterritorial development guidelines for metropolitan areas and urban agglomerations,

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formulation guidelines of the Rural Planning Units (UPR), and conflict-analysis of territorial and productive development which may impact the efficient use of rural land.

• The national government also accompanied the formulation of comprehensive agendas, addressing competitivity, science, technology, and innovation for seven departments (Arauca, Atlántico, Cauca, Cesar, Norte de Santander, Risaralda y Sucre).

As outlined above, Colombia has engaged in a complex yet unfinished process to develop urban policies focused on tackling relevant challenges. However, the evidence tells us there is still a gap between the general guidelines issued at the national level and the capacity of local governments to implements such measures and take advantage of the benefits that come with urbanization.

Aiming at establishing an intersectoral operational framework to guide and consolidate the capacities of the local governments towards the comprehensive management of strategic urban development, the Ministry of Housing, City, and Territory is currently leading the formulation of a new and comprehensive National Urban Policy that builds on the progress made by the CONPES 3819 (System of Cities). Different from the latter urban policy whose view is broader and more systemic, the 2021 Urban Policy will focus on observing intra-urban relationships to identify the main gaps in terms of regulatory harmonization, implementation, financing mechanisms, among others.

The new NUP builds upon three main pillars:

(I) Institutional Coordination: to reach a long-term common vision regarding cities, avoiding duplication. As well as creating effective coordination between sectors and levels of government

(ii) Associative Capacity: to create and strengthen associative and metropolitan governance through regional impact projects

(iii) Differential focus: we recognize that one-size-fits-all recipes will not contribute to bridging the identifies gaps. For this reason, we need differential strategies and guidelines based on heterogeneous urban typologies present in Colombian cities.

From the CONPES 3819, Colombia established the first methodology to measure functional relationships between different scales of cities and defined it as the paramount criteria to categorize urban Colombia. The process we are currently conducting considers a review and update of the current categorization of the System of Cities to account for population and functional dynamics with new variables, updated information from the 2018 Census, as well as from a recent commute patterns study that evaluated 267 cities. From this extended methodology and the combination of such criteria, cities are being classified in large cities, strategic nodes, emerging cities, and integrated cities.

From the clear understanding of such heterogeneous urban Colombia, the formulation process is considering four main policy analysis dimensions from which to flag the main gaps outlined above that motivate this new NUP. These dimensions are urban management, sustainable habitat, orderly urban growth, and infrastructure for productivity enhancement. This means that we are committed to identifying and creating schemes that





allow an effective exercise of all stages involved in a wide range of urban development projects and plans, as a way to consolidate decentralization. Technical and financial capacity strengthening is the only mechanism with the potential to unleash a sustainable transformation in the way cities are planned and managed.

## 2. Integrate housing into urban development plans

According to the study prepared by DANE, the Ministry of Housing, City and Territory and the National Planning Department with the accompaniment of UN-Habitat, Colombia has a quantitative and qualitative housing deficit of 36.6%, a situation affecting a population of approximately 18 million people.

One of the critical aspects in the implementation of an effective policy for the development of housing projects is the availability of planning tools that respond to the conditions of the territory, in a way that secures a balance between social services to the population (health, education, culture) and the required support of urban infrastructure (networks, services, public, roads, connectivity). In this sense, the Land-Use Regulation Plans (POT) become a strategic tool to secure the rational and sustainable development of housing through: (i) the correct definition of urban perimeters; (ii) development of a land-occupation model according to the realities of the municipalities and in accordance with the environmental and sociocultural components; (iii) Rational forecast of future land, in order to secure future demand for housing space; (iv) development of a sufficient regulatory framework for the effective use of the built city, through actions designed to promote urban renewal, the recovery and dynamization of central areas, the management of cultural heritage property and planned development of expansion land; (v) Respect and appreciation of the value of protected natural areas and heritage areas, environmental reserve areas and areas with rural vocation; (vi) Recognition of regional synergies that promote competitiveness and recognize the strengths and opportunities of each territory. (vii) Regulation and promotion of the various planning, financing and management instruments, and the implementation of mechanisms to monitor, evaluate and control the institutional framework provided for the development of housing projects in the municipality.

In Colombia, however, only 22% of Land-Use Regulation Plans are updated and there are some institutional weaknesses related to the low-technical capacity of territorial authorities to advance their POT reviews and adjustment processes. To address these issues, the Ministry is engaged in a targeted technical assistance strategy to accompany municipalities differentially, according to the specific needs of territorial authorities. This strategy is built on concrete actions to support the formulation of the POT and the delivery of strategic information to strengthen decision-making in the territory. The Ministry provides this support for territorial authorities in consolidating technical inputs such as: structuring projects to obtain resources to finance POT, developing POT-specific technical inputs, including technical studies for the incorporation of risk management, structuring terms of contract for the development of technical inputs by third parties ,implementation of management and financing and accompaniment instruments in processes of institutional articulation and training in territorial planning issues.

However, important challenges still persist in strengthening the POT as the essential instrument of the municipalities for the effective development of housing programmes. In particular, the articulation of actions from the different levels of government in the territory,





so that a coordinated institutional response can be achieved and therefore be of help to the territorial entities in drawing up their POTs. In this same sense, the technical and economic capacity of the Ministry will need to be enhanced in order to achieve the widest scope and greatest impact of technical assistance possible for territorial entities.

Since the subsidy is the main instrument to respond to the quantitative housing deficit, to implement this instrument in 2002 the National Government established the National Housing Fund (Fondo Nacional de Vivienda FONVIVIENDA). This fund supports all the housing subsidies and it is part of the Ministry of Housing, Cities and Territories. The budget of FONVIVIENDA in the 2020 was 1.5 billion (million million) pesos, which represents 34.8% of the budget for the sector, and 0.69% of the government budget for 2020. Regarding housing and neighborhood improvement, the budget for 2020 was 30 thousand million pesos (Casa Digna Vida Digna Program), representing the 0.7% of the sector budget, and 0.013% of the government budget.

The segmentation of the population in housing deficit enabled the national government to design a differentiated housing policy with solutions adjusted to the reality of the different Colombian households. Therefore, the National Statistics Office DANE estimates the housing deficit with a quantitative and qualitative measure. The most recent data is from the 2018 Population Census shows that 680,381 urban households (6.1%) were in a quantitative housing deficit and 2.08 million urban households (18.7%) were in a qualitative housing deficit. Those figures can also be expressed in terms of people in deficit.

People	Quantitative	Qualitative	Housing Deficit
Total	4.951.388	13.284.710	18.236.098
Men	2.514.803	6.603.987	9.118.790
Women	2.436.585	6.680.723	9.117.308

Source: DANE, CNPV 2018

The definition and estimation can be found at:

https://www.dane.gov.co/files/investigaciones/deficit-habitacional/deficit-hab-2020boletin.pdf

### 3. Include culture as a priority component of urban planning

Cultural heritage is a priority in urban planning in Colombia, this is reflected on two laws related to culture, urban planning, and with the enhancing of the right to cultural diversity and heritage established in the 1991 in the Political Constitution.

Law 388 of 1997, By which Law 9 of 1989 is modified, and Law 3 of 1991 and other provisions are dictated, establishes cultural heritage as one of the four main determinants for land use plans:

ARTICLE 10. DETERMINANTS OF THE TERRITORIAL MANAGEMENT PLANS. In the preparation and adoption of their land use plans, the municipalities and districts must take into account the following determinants, which constitute higher hierarchy norms, in their own areas of competence, in accordance with the Constitution and the laws:



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2. The policies, guidelines and regulations on conservation, preservation and use of the areas and properties considered as cultural heritage of the Nation and of the departments, including the historical, artistic and architectural, in accordance with the corresponding legislation.

Law 1185 of 2008 "By which Law 397 of 1997 - General Law of Culture - is modified and added and other provisions are issued." Defines the objectives of the state policy of cultural heritage:

a) Objectives of state policy in relation to the cultural heritage of the Nation. The state policy in relation to the cultural heritage of the Nation will have as its main objectives the safeguarding, protection, recovery, conservation, sustainability and dissemination of the same, with the purpose of serving as a testimony of the national cultural identity, both in the present and in the future.

In order to achieve the objectives ..., the development plans of the territorial entities and the plans of the communities, social and population groups incorporated into these, must be harmonized in cultural matters with the Ten-Year Plan for Culture and the National Development Plan and will allocate resources for the safeguarding, conservation, recovery, protection, sustainability and dissemination of cultural heritage;

They are considered as assets of cultural interest of the national, departmental, district, municipal, or indigenous territories or of the black communities referred to in Law 70 of 1993 and, consequently, are subject to the respective regime of such, the tangible assets declared as monuments, historical, archaeological or architectural conservation areas, historical complexes, or other names that, prior to the promulgation of this law, have been the subject of such a declaration by the competent authorities, or have been incorporated into the plans of territorial ordering.

Likewise, archaeological heritage assets are considered national assets of cultural interest:

Article 11 of Law 397 of 1997 modified by Article 11 of Law 1185 of 2008 establishes the Special Protection Regime to which material goods of cultural interest of public and private property are subject, within which the Special Management and Protection Plan -SMPP- as "... the cultural heritage management instrument by means of which the necessary actions are established to guarantee its protection and sustainability over time".

The SMPP defines the affected area, the zone of influence, the permitted level of intervention, the management conditions and the disclosure plan will be established that will ensure community support for the conservation of these assets.

"1.3. Incorporation of Special Management and Protection Plans to land use planning plans.

The Special Management and Protection Plans related to real estate must be incorporated by the territorial authorities in their respective land use planning plans. The PEMP may limit the aspects related to the use and buildability of the real estate declared of cultural interest and its area of influence, even though the Land Use Plan has already been approved by the respective territorial authority.



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1.5. Prevalence of the norms on conservation, preservation and use of areas and buildings considered cultural heritage of the Nation. In accordance with the provisions of numerals 2 of article 10 and 4 of article 28 of Law 388 of 1997 or the regulations that replace them, the provisions on conservation, preservation and use of areas and buildings of cultural interest constitute superior standards. hierarchy at the time of preparing, adopting, modifying or adjusting the Territorial Organization Plans of municipalities and districts"

At the national level there are a large number of properties and areas declared as Asset of Cultural Interest among them are 45 urban sectors, most of them cities' historic downtown, includingBogotá. Additionally 2 of them, were chosen by Unesco as part of the World Heritage List. Moreover, Colombia has a National Cultural Heritage site: the Coffee Cultural Landscape of Colombia, which is also inscribed on the Unesco World Heritage List and covers areas of 51 municipalities.

Today o, 27 urban sectors have Special Management and Protection Plans and a considerable number is in the process of its formulation. This instrument allows a precise identification of the characteristics and values of the components of this urban cultural heritage: buildings, public spaces, uses, history, etc. It also stablishes management requirements including normative, social and economic aspects for their social ownership and sustainable management.

## 5. Improve capacity for urban planning and design, and training for urban planners at all levels of government

El Plan Nacional de Desarrollo 2018-2022 "Pacto por Colombia, pacto por la equidad", señala, como uno de sus objetivos la armonización de la planeación para el desarrollo y la planeación para el ordenamiento territorial". Para lograr este objetivo, se estableció como meta para el cuatrienio 2018-2022 el desarrollo de una estrategia de asistencia técnica a partir de tres pilares principales: a) Asistencia focalizada a por lo menos 150 municipios del país; b) Apoyo a la implementación de instrumentos de gestión del suelo para habilitar 16.000 Has de suelo urbano; y c) desarrollo del programa de Mejoramiento Integral de Barrios, procesos de legalización construcción de equipamientos para 600.000 mejoramientos de vivienda y barrios de origen informal.

Como parte de sus competencias misionales, el Ministerio de Vivienda, Ciudad y Territorio diseña e implementa estrategias de acompañamiento focalizado y de fortalecimiento de las capacidades técnicas a los entes territoriales regionales y locales en los procesos relacionados con la revisión, ajuste e implementación de sus Planes de Ordenamiento Territorial. En cumplimiento de este compromiso, entre 2019 y 2020 se han acompañado 77 municipios y para el periodo 2021 – 2022 se acompañarán otros 73 municipios.

Esta labor permite apoyar estos municipios con insumos técnicos concretos, los cuales, dependiendo de la situación específica de cada ente territorial, pueden derivar en uno o más de los siguientes insumos técnicos: desarrollo de documentos técnicos para POT, estructuración de proyectos para solicitud de recursos por el Sistema Nacional de Regalías, apoyo en la elaboración de términos de contratación de insumos técnicos, desarrollo de cartografía, acompañamiento en el desarrollo de estudios de gestión del riesgo e implementación de instrumentos de gestión y financiación del desarrollo local. De igual manera, el Ministerio de Vivienda, Ciudad y Territorio adelanta una estrategia de

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divulgación del conocimiento que se apoya en procesos de capacitación general y el desarrollo de material pedagógico de soporte dirigido a los entes territoriales del orden regional, funcionarios públicos y en general, actores interesados temas relacionados con el planeamiento y gestión del territorio.

## 6. Strengthen the role of small and intermediate cities and towns

Between 2012 and 2013, Colombia launched a National Urban Mission, which consisted of elaborating various studies focused on defining urban policy guidelines related to the following topics: productivity, life cost, and quality, institutionality, financing, quality of life, infrastructure, and connectivity. The Mission integrated experts' visions and cities' inputs collected in several workshops performed in different territories, founding that Colombia counts with a System of Cities, integrated by 18 urban agglomerations, 16 nodal cities with more than 100.000 inhabitants, eight nodal capital cities, and 14 nodal cities that play an important regional and sub-regional role. According to the Mission, that System of Cities supports, to a large degree, Colombian social and economic development.

In this sense, the System is relevant as a focalization platform for implementing the National Urban Policy (CONPES 3819/2014) and for launching national public actions, recognizing that the country counts not only with big cities and agglomerations but with several intermediate and small cities that play a crucial role for territorial balance in the country. Consequently, a significant part of the Urban Policy action plan has been implemented focused on this type of cities, which has permitted advancing in the direction of the urban policy lines of action: 1) sustainable vision and green growth, 2) physical and digital connectivity, 3) productivity, 4) equity and quality of life, 5) adequate and efficient financing, 6) governance and coordination.

The National Urban Policy does not include any specific disposition about towns, but it does have some actions to strengthen urban-rural linkages and plan the territory from a more comprehensive perspective (including urban and rural areas).

### 7. Implement sustainable multimodal public transport systems including nonmotorized options

In 2020, Colombia approved a national policy for the improvement of regional and urban mobility, to promote sustainable public transport and non-motorized modes of transport through: (i) an updated and expanded co-financing scheme from the National Government; (ii) an updated governance framework; and (iii) the issuance of guidelines and tools to reduce negative externalities associated with transport, as evidenced by CONPES document No. 3991 of April 14, 2020.

### **Regulatory Framework review:**

### Public Transport Systems

## CONPES - National Economic and Social Council, Laws, National Development Plans, Decrees:

- National Public Transport Metro Laws 86 of 1989 and 310 of 1996 modified Law 86 of 1989, dictate norms of public mass transit, funding framework and resources.
- CONPES 3167 de 2002 "Policy for improving Urban Public Transport Service."

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- CONPES 3260 de 2003 "National Policy for Urban and Mass public transport."
- CONPES 3368 de 2003 "National Policy for Urban and Mass Public Transport."
- CONPES 3991 de 2020 "National Policy for Urban and Regional Mobility."
- Decree 3109 de 1997, to regulate mass passenger transport services.
- Decree 3422 de 2009, to regulate Strategic Public Transportation Systems (SPTS).
- Decree 1079 de 2015, Regulatory decree for the Transport Sector.
- National Development Plans:
  - o 2002-2006, National Law 812 de 2003
  - o 2006-2010, National Law 1151 de 2007
  - o 2010-2014, Law 1450 de 2011
  - o 2014-2018, Law 1753 de 2015
  - o 2018-2022, Law 1955 de 2019
- Resolution to regulate the National Government co-financing process for public transport systems: Integrated Mass Transit Systems (IMTS), Strategic Public Transit Systems (SPTS), Integrated Public Transport Systems, Integrated Regional Public Transport Systems, complimentary public transport subsystems (Res. 20203040013685 September 29, 2020). Approved the requisites and criteria for co-financing of public transport systems by the national government, and the definition of eligible financing categories, including infrastructure, ITS systems, and rolling stock. The co-financing criteria specify technical project requirements which candidate cities must fulfill, including (i) the operational and financial scheme; (ii) social, environmental, and economic evaluations; (iii) strategies for the long-term financial sustainability of the system; (iv) structuring of a tariff stabilization fund and definition payment sources; and (v) a financial feasibility analysis.

### Sustainable Modes and Bicycle modal share promotion:

The Government of Colombia and local governments have promoted clean-energy urban mobility, providing an additional stimulus to the on-going promotion of non-motorized modes. These priorities were derived directly from the National Development Plan 2014-2018.

- **NAMA TanDem** Active Transport and Travel Demand Management in Colombia: The overall objective of the NAMA is to increase the use of cycling and to rationalize the use of private motorized modes, thereby improving the quality of life of the urban population and contributing to the mitigation of climate change.
- Law 1811 of 2016, introduced incentives to increase the modal share of bicycles as a mean of urban mobility. This policy seeks to measure the outcomes of increased use of public and non-motorized transport options in Colombian cities and also stems directly from the NDP 2014-2018.
- Law 1083 of 2006: To give priority to non-motorized transport modes (pedestrian, bicycles, and nonpolluting modes), and clean public transport systems.

### Some Challenges:

• Rapid migration from rural to urban areas greatly increase the use of the motorcycle as a mean of informal, low-cost, and door-to-door transportation.





- The continued high use of motorcycles as illegal taxis has affected the demand for public transport by reducing it and thus negatively affected the financial viability of bus rapid-transit systems (BRTs).
- Increases in income have led to continued motorization due to historic low quality and perception of public transport.
- Limited municipal budgets require the national government to provide co-financing if pedestrian and cycling infrastructure networks strengthen their integration with public transport.

Indicator	2017 E Line	Base	2020 Results	2020 target progres s	2022 target	2022 target % Progress
Km of Bike Network built by co-financed public transport systems (accumulated result)	154		226,18	99.6%	255	71%

## • MEANS OF IMPLEMENTATION

## **Mobilization of Financial Resources Items**

# 1. Develop financing frameworks for implementing the NUA at all levels of government

The National Development Plan 2010-2014 (Law 1450/ 2011, article 7) defined the Systems of Coordination between the national level, departments, and municipalities, under principles of concurrence, and subsidiarity. Consequently, the Plan determined that those levels could establish Multi-level Agreements (*Contratos Plan*) to define obligations and compromises to the coherent and effective implementation of policies, avoiding the duplicity of efforts and ensuring the coherence of policies and programs.

The same National Development Plan defined *Contratos Plan* as an instrument to plan and promote regional development and articulate National, Regional and Municipal programs.

In the same year, the Law 1454/2011, Organic Law on Land Management, also included the instrument and determined that the Regional Development Fund should prioritize associative schemes and territories that develop *Contratos Plan*, conciliating economic growth, fiscal sustainability, and social equity, recognizing the diversity of Colombian population and geography and adjusting plans to the territory organization.

In this sense, the action plan of the National Urban Policy (CONPES 3819/2014) included action 6.2, which determined that the National Planning Department (DNP) should monitor the incorporation of a component related to the System of Cities in the formulation of





the *Contratos Plan* prioritized in the National Development Plan, to promote agreements for managing, financing, and implementing regional projects.

Later in 2014, the National Government issued the CONPES 3822 *Contratos Plan*: Policy Guidelines and Expansion Plan 2014-2018. It defined that the Contratos Plan should focalize investments according to three key dimensions: geographic, thematic, and sectorial.

The geographic dimension defined that despite the *application unit of Contratos Plan* were the region (department), the national government could develop *Contratos Plan* with a group of municipalities. In this sense, they aimed to strengthen the strategic orientation of expenses and multi-level governance.

The sectorial and thematic dimension pointed that *Contratos Plan* could not substitute other instruments for prioritizing and managing investments. They must be complementary, focusing attention on investments in social and economic infrastructure and institutional strengthening.

The programmatic dimension determined that the instrument should operate under a logic of programs- founded in the expenses' planning articulated to policy objectives and not to projects. In this sense, the territories that subscribe *Contratos Plan* must harmonize their investments to the National programs to, in a second stage, identify the projects together with the national level.

In 2015, the Law 1752- National Development Plan 2014-2018 created the Regional Fund (article 199) for facilitating the implementation of *the Contratos Plan*. It was an instrument to encourage regions and municipalities to concur with their resources and obtain better results in developing and implementing the *Contratos Plan*.

Under the mentioned framework, the National Level issued 13 Contratos Plan with the departments of Guainía, Caquetá, Guaviare, Boyacá, Valle, Bolívar/Sucre, Tolima, Atrato/Darién, Boyacá, Nariño, Norte del Cauca, Arauca and Santander, which included, according to territorial priorities, strategic projects of housing, social infrastructure, land use plans, environmental protection, mobility, and public services.

The National Development Plan 2018-2022, in its Agreement XVI for Decentralization: connecting territories, governments, and people, includes a strategy to guarantee the coordination and articulation of planning and investment for regional development. The Plan points to the importance of ensuring the concurrence and complementarity between financing sources and incentives to assign resources. In this context, it is essential to enhance the Contratos Plan, called by the PND 2018-2022 "Territorial Agreements," as effective instruments to articulate multi-level decisions and investments to develop regional impact projects. The national level aims to continue promoting strategic projects to contribute to regional and subregional development.

## 2. Mobilize endogenous (internal) sources of finance and expand the revenue base of Subnational and local governments



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In 2019, financial resources generated from endogenous sources of revenue represented 33.3% of municipalities as well as department's income. Specifically, in municipalities, the proportion was 30,6%.

Between 2016 and 2019, municipalities' income growth approximately 29%. During this lapse, non-tax income showed an increase higher than 40%.

On average, the proportion of municipalities' own resources (tax and non-tax income) has oscillated between 16% and 18%. Meanwhile, incomes of free destination have represented on average between 18% and 20%<sup>[1]</sup>

Colombia has municipalities whose capacity to generate their resources is higher than 70%, mainly those who participate in urban agglomerations. Nevertheless, most municipalities have a high dependence on transfers (more than 50% of their incomes).

Year	Total income	Tax income	Non-tax income	Free destinatio n income	% Own resources/T otal income (average)	%Free destinatio n income/T otal income (average)
2016	57.610	18.694	2.639	18.843	16,8	20,5
2017	63.692	20.290	2.883	19.568	16,9	19,6
2018	66.656	21.948	2.968	20.676	17,7	19,5
2019	74.429	24.317	3.803	22.806	18,3	18,9

Own resources generation and free destination income

Fuente: DDNumbers in millions of COP

<sup>[1]</sup> In municipalities that belong to categories 4, 5 the free destination income includes free destination transfer from the National General Participation System.

### 3. Formulate sound systems of financial transfers from national to Subnational and local governments based on needs, priorities and functions

The national government has a transfer system called the General Participation System (SGP by its Spanish acronym), which is made up of the resources that the nation transfers, by mandate of articles 356 and 357 of the Political Constitution of Colombia, to territorial entities (departments, districts, and municipalities) for the financing of the services in charge of health, education, drinking water, and others defined in Legislative Act 01 of 2001 and Law 715 of 2001.

Following the regulatory framework that governs the distribution of the SGP (Law 715 of 2001), the SGP is distributed by the following structure:

- a. 58.5%. For education
- b. 24.5% for health

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- c. 11.6% as a general-purpose participation, which is used to finance the provision of public services
- d. 5.4%. destined for drinking water and basic sanitation, The remaining percentage (4%) is assigned to the component known as Special Assignments that fix resources for School Feeding (0.5%), National Pension Fund of Territorial Entities (FONPET by its Spanish acronym) (2.9%), indigenous communities (0.52%) and riverside municipalities (0.08%).

The SGP, in addition to financing services, must comply with the constitutional mandate to strengthen the finances of territorial entities to reducing territorial gaps and improve the living conditions of the population. The distribution criteria is the number of inhabitants (certified in the current 2018 General Census) as well as the living conditions of the population according to the main social indicators such as the Unsatisfied Basic Needs Index (UBN).

## **Capacity Development Items**

## 3. Build capacity at all levels of government to use data for evidence-based policy formulation including collecting and using data for minority groups

The Colombian Women's Observatory was launched in March 2020 with the support of the World Bank and UN Women, and has made important progress in the short term in the following activities

• Systematization and analysis of information regarding the status of women with regard to the effective enjoyment of their rights.

• Dissemination of an online battery of indicators that allows consultation and download to monitor the status of women in Colombia. 48 indicators were made available accounting for economic, educational, access to ICTs, health, sexual and reproductive health and rights, violence, public and private participation and leadership, and peacebuilding.

• Dissemination of information related to the status of women in Colombia through virtual channels and platforms, and systematic and specialized publications in order to make visible gender gaps to overcome and generate public dialogues aimed at guaranteeing the rights of women in the country.

The observatory has made 94 publications including documents, reports and bulletins, articulating actions of different entities at the national level such as the DNP, DANE, Legal Medicine, Colpensiones, and the DAFP. Coordination efforts were also made to produce content with UN Women, the World Bank, ECLAC, the National Network of Communal Women of Colombia, the Fire Brigades of Colombia and the Attorney General's Office.

Finally, it is necessary to point out that we have initiated actions leading to the strengthening or creation of regional observatories with a gender perspective for more than 15 municipalities and departments, as well as technical assistance to strengthen the gender approach in indigenous observatories, the Observatory of violence against women in politics in coordination with the Dutch Institute for Democracy, the Ministry of the





Interior, the MOE, the National Electoral Council and the MAPP / OEA, as well as technical assistance for the creation of the National Army Gender Observatory.

## 4. Build the capacity of all levels of government to work with vulnerable groups to participate effectively in decision-making about urban and territorial development

In 2020, the National Government developed a "Technical Assistance Kit" aiming to facilitate the formulation of Local Development Plans LDP including the integration of a specific chapter for. A extreme poverty reduction In 2020 Prosperidad Social provided direct technical assistance to 231 territorial entities, out of which 150 included specific policy lines and strategies about poverty reduction in their development plans.

Along the capacity building for local administration and in compliance with Law 1785 of 2016, Social Prosperity accompanies the municipalities in the construction of "frameworks plan to fight against Extreme Poverty" complementing the policy lines and strategies defined in the Local Development Plans. For this purpose, Prosperidad Social has developed a territorial kit with supporting documents that is provided to the local governments. So far, 285 direct technical assistance to territorial entities has been carried out and currently 107 have adopted poverty frameworks

## 6. Implement capacity development programmes on the use of legal land-based revenue, financing, and other tools

In the Latin American context, countries such as Argentina, Brazil, Chile, Colombia, and Uruguay have developed indicators intended to measure municipal performance as means for decision-making in the implementation of policies that boost balanced and sustained territorial development. Since 2016, Colombia has implemented a result-oriented methodology following international guidelines in public management and territorial development.

Such methodology produced the Municipal Performance Measurement (MDM) (Medición del Desempeño Municipal), which compares and ranks municipalities according to their performance, understood as management capacity and result-oriented development. Such a measure, calculated by the National Planning Department, represents initial capacities, quality of expenditure, and result-oriented investments.

The limited capacity of local governments restricts investment in some of the urban goods and services that are necessary to meet the urbanization demands, thus hindering the improvement of the quality of life. According to the Municipal Performance Measurement (MDM) indicator in 2020, half of the local governments reported high performance, 33% medium performance, and 16 % low performance. Regardless of such positive averages at the national scale, the data at the local level masks structural gaps in training and local management in capital cities such as Montería, Mocoa, Quibdó and Leticia.

Additionally, according to the MDM's management performance variable, urban municipalities have better management capacity when compared to those municipalities that are predominantly rural, or remote. In 2019, out of the 151 municipalities that make up the system of cities, 72.7% have a good management capacity, while 21.3% and, 6.0% medium al low management capacity correspondingly. Meanwhile, out of 901





municipalities not included in the system of cities, 52.2% are classified in medium and low management capacity categories (Table 1).

Conchilition	City System				Outside City System			
	High	Medium	Low	Total	High	Medium	Low	Total
Cities	11	1	1	13				
G1- High Level	83	9	4	96	97	17	7	121
G2- Medium High Level	8	13		21	133	49	14	196
G3- Medium Level	5	8	2	15	103	75	25	203
G4- Medium Low Level	2	1	1	4	78	98	38	214
G5- Low Level			1	1	44	92	81	217
Grand Total	109	32	9	1503	455	331	165	951
Participation	72,7%	21,3%	6,0%	100%	47,8%	34,8%	17,4%	100%

## MDM 2019-Component Management of the City System

Source: DNP, MDM, DEUT calculations, Urban Management, 2021.

Land use planning and lack of accountability largely explains low levels of MDM, and resource mobilization in the second place.

Management Approach	City System			Outside City System		
	Average	Max	Min	Average	Max	Min
Resource mobilization	43,9	89,1	4,5	23,3	82,7	0,0
Execution of resources	82,6	97,2	52,8	81,6	100,0	0,0
Open Government and						
Transparency	82,1	100,0	7,1	76,3	100,0	4,0
Land Use Planning	43,1	76,6	13,9	30,9	74,1	0,0
Management Score	62,9	85,3	33,0	53,0	83,8	2,0

### MDM 2019- Qualification ranges by Management Components

Source: DNP, MDM, DEUT calculations, Urban Management, 2021.

Another indicator that is useful to explain fiscal and financial administration efficiency is the Fiscal Performance Index (IDF). In 2019, only 3.7% of the country's municipalities are classified into either solvent or sustainable categories. They all make part of the system of cities.

### Fiscal Performance Index (IDF) 2019

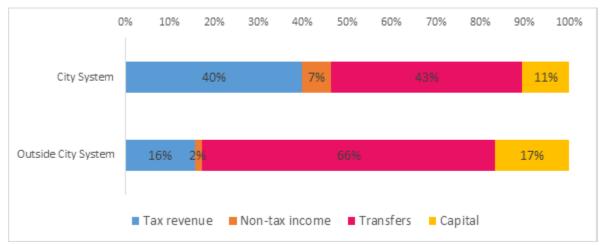
Rank		Outside City System	Grand Total	%
1. Impairment (<40)	12	160	172	15,6%



2. Risk (>=40 y <60)	72	581	653	59,3%
3. Vulnerable (>=60 y <70)	/ 47	185	232	21,1%
4. Solvent (>=70 y <80)	17	24	41	3,7%
5. Sustainable (>=80)	2	1	3	0,3%
Gran Total	150	951	1101	100,0%

Source: DNP, Fiscal Performance Index, DEUT calculations, Urban Management, 2021.

In the period between 2015 to 2019, municipal own-source revenues are percentage-wise higher in cities due to urban characteristics and a larger population, reaching 46.8% on average in large cities like Bogotá, Medellín, Cali, Barranquilla, Bucaramanga, Cartagena, and Cúcuta; and 39.1% in their agglomerated cities. In a complementary manner, dependence on national transfers augments when the municipality is smaller and is closer to rural characteristics. A remarkable fact is that most of the cities that make up the System of Cities, except those mentioned above, have a dependency on conditional transfers from the national government of more than 60%. On average, municipal finances are made up of 37% in own-source revenues, and 49.4% in transfers from the national government.



### Income Structure 2019

Source: DNP, SISFUT, DEUT calculations, Urban Management, 2021.

The data above shows the importance of strengthening capacity enhancement particularly in land value capturing instruments, mechanisms to attract private participation in the provision of public services (PPPs), the efficient use of collected resources and information management to balance local dynamics and reducing the existing gaps.

Through the Ministry of Housing, Cities, and Territory, the national government has developed two main strategies: (i) to develop innovative land-based financial tools and (ii) to strengthen technical and legal assistance.

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In the first one, Law 1955 of 2019 (National Development Plan 2018-2022) authorized municipalities to implement urban - financing instruments into urban renewal projects. Thus, the National Government ruled the **Tax Increment Financing – TIF adapted for the Colombian context**, whereby the increments in property taxes collected in the intervened area over a defined period can be used to pay the interest and amortization of debt issued or acquired to fund part of the investment. Finally, Law 1955 of 2019 (National Development Plan 2018-2022) also established the possibility to implement surface rights for financing the transport system; an instrument that is currently under legal design.

In the second one, a high-level group was formed within the Ministry of Housing, Cities, and Territory as early successes of the formulation of the new National Urban Policy, whose main task is to strengthen fiscal finances, local capacities, and better governance through technical assistance. During the period 2020-2021, approximately 720 employees have been trained to strengthen local internal processes related to urban financing and management.

	Management information	and handling	j of territorial	Financing i development	nstruments	for urban
		Training for cadastral managers	Urban financing in	Financing Workshop (Asocapitales)	value national workshop	Land and City: Financing mechanisms for sustainable development
No. Municipalities	24	56	-	31	-	-
No. trained officials	72	90	80	100	20	358

## Training sessions on resource management and financing instruments for urban development.

Source: DEUT, Urban Management, 2021.

Finally, in 2020 the Ministry of Housing, City and Territory (MVCT) organized two large webinars in urban financing with the World Bank (Urban financing in times of COVID) and the Colombian Association of Capital Cities (Asocapitales) (Urban and Territorial Development Financing Forum). This training session sought to provide guidance to public officers, using practical tools to explore alternative solutions to increase the resources of local governments). The 2021 training agenda is projected to address nature, scope, requirements, procedures and case studies on the financing instruments, such as land added-value share, economical use of public space, urban construction tax, urban renewal and project management and schemes for equitable distribution of charges and benefits of land use.

# 7. Implement capacity development programmes of Subnational and local governments in financial planning and management

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Between 2016 and 2020, the Ministry of Finance and Public Credit has contributed to the development and strengthening of institutional capacities of subnational entities, supported by the following actions:

Action 1: Preparation of fiscal and financial viability reports at the end of each fiscal term and in the middle of the term, of the 32 Departments and 31 Capital Cities, as well as of the Municipalities that have accepted Law 550 of 1999.

The Fiscal Feasibility Reports can be consulted at: https://www.minhacienda.gov.co/webcenter/portal/EntidadesdeOrdenTerritorial/pages\_viabilidadfiscalterritorial.

The government has permanently supported territorial entities helping them to update information on their financial situation and, in addition, providing the entities with room for maneuver to face the crisis caused by the pandemic of Covid-19.

Up to 2019, territorial entities had managed to boost public investment, reaching doubledigit growths in tax collection and an increase in public debt without altering the precepts of fiscal sustainability. The National Development Plan and some recent laws are aimed at strengthening the Colombian decentralization framework, as well as the effective management of fiscal risks at the subnational level of government.

On the other hand, the preparation of these reports is based on the information inputs of Territorial Entities through the Unique Territorial Form - FUT, which in the last five years has presented high levels of coverage, timeliness and precision in the delivery of the information.

The Ministry also supported the negotiation of Liability Restructuring Agreements signed within the framework of Law 550 of 1999, as well as their execution, for 42 territorial entities (8 departments, 5 capital cities and 29 municipalities), of which 20 have been implemented satisfactorily. The executions of the liability restructuring agreements are a step forward in institutional strengthening and the recovery of territorial finances through the payment of certain debts and the funding of contingent liabilities for \$ 941,720 million. Pesos

Moreover, the current legal framework of fiscal responsibility [2] has not only allowed territorial entities to regain balance in their finances, but also to establish conditions for the expansion of public investment in a sustainable way, improve their administrative processes and consequently meet the needs of the population effectively. Evidence of the above is the development of Barranquilla and Montería, which have executed restructuring agreements for several years [3].

A virtual Library was designed to help territorial entities to improving their budget and fiscal management by providing a repository of methodologies and guiding tools; concept documents about territorial tax and financial matters; financial-situation reports; methodological and research documents on subnational public finances in Colombia; compilation of norms, jurisprudence and doctrine.

Thelibrarycanbeconsultedat:http://delfos.minhacienda.gov.co/BibliotecaVirtual/Salas/index.html





The following table shows the number visits done from September 2017 to March 2021:

Sala	2017 <sup>1</sup>	2018	2019	2020	2021 <sup>2</sup>	Total Po Sala
BOLETINES	796	1.361	1.638	2.235	396	6.426
CONCEPTOS	1.038	1.959	2.522	5.429	1.149	12.097
INFORMES	888	1.487	1.668	1.870	279	6.192
METODOLOGÍAS INVESTIGACIONES	E 994	1.481	1.707	1.693	266	6.141
MULTIMEDIA	444	797	919	1.027	166	3.353
NORMAS	634	1.232	1.784	2.549	408	6.607
Total Por Año	4.794	8.317	10.238	14.803	2.664	40.816
Fuente: elaboración propia - DAF						

## CONTEO DE VISITAS POR SALA - BIBLIOTECA VIRTUAL DAF

<sup>1</sup> El año 2017 sólo recoge el conteo de visitas de los meses de septiembre, octubre, noviembre y diciembre.

<sup>2</sup> El año 2021 incorpora el conteo de visitas a la fecha.

A set of documents have been developed that contain information on the results of financial and institutional management. Documents can be consuted at:

https://www.minhacienda.gov.co/webcenter/portal/EntidadesdeOrdenTerritorial/pages\_publicacionesterritoriales/seguimientofiscalyperspectivas

The financial situation of the territorial entities have been significantly impacted by the effects of Covid 19; For this reason, The national government adopted flexible measures which enable territorial entities to redirect specific destination rents to finance health expenses of pandemic care (Decree 461 of 2020); flexible access credit resources (Decree 678 of 2020) and implementation of financial tools to estimate the impacts that would allow the early adoption of measures to prioritize spending. https://www.minhacienda.gov.co/webcenter/portal/EntidadesdeOrdenTerritorial/ pages modelocovid19

An information report called FUT Category COVID 19 BUDGET EXECUTION was created, through which the Territorial Entities have been presenting, since March 2020, monthly information on income, expenses and redirecting specific destination rents under the economic, Social and Ecological Emergency. As a result, Territorial Entities local governments and the National Government have relevant information for institutional strengthening and timely decision-making regarding the behavior of income and expenses in the period of recovery from the pandemic.

Action 2: Implement the Budget Classification Catalog - CCPET aligned with the National General Budget and with international standards.



For the implementation of the Budget Classification Catalog, several outreach strategies have taken place, as well as training sessions, pilot projects and technical assistance for municipalities. The design, regulation and implementation of this Catalog was possible due to the issuance of different norms: (I) Decree 412 of 2018 that authorized the Ministry of Finance and Public Credit to design the new CCPET and to offer technical assistance for municipalities to implement it. (ii) Resolution 803 of 2019 that enables local governments to issue and implement the CCPET. (iii)Resolution 1355 of 2020 to incorporate adjustments to the income and expenses agreed with the General Office of the Comptroller, among others.

Moreover, the National Government coordinated different interinstitutional activities to unify criteria with the National Planning Department regarding the Programmatic Investment classifier and with the General Office of the Comptroller and the General Budget Department regarding a holistic Catalog of Budget Classification. Also, more than 16 training courses were developed with local authorities and 5 virtual training sessions with more than 3.000 assistants. The training material can be consulted on the following link: https://www.minhacienda.gov.co/webcenter/portal/EntidadesdeOrdenTerritorial/page s\_catalogoclasificacionpresupuestalCCPET"

As a result of the above, local governments today count on a unified Budget Classification Catalog that enables them to manage local finances with international standards allowing statistical analysis.

Action 3: Updating and publication of a set of tools to develop the Mid Term Fiscal Framework (MFMP)

The app to provide technical assistance for the development of the MFMP was updated. The app provides general guidelines and Excel templates for local governments to design their MFMP for the period 2019-2029. These guidelines can be found on the following link:

https://www.minhacienda.gov.co/webcenter/portal/EntidadesdeOrdenTerritorial/pages\_pub licacionesterritoriales/guasparaelmarcofiscaldemedianoplazoentidadesterritoriales In order to evaluate the quality of data of the MFMP developed by local governments, Law 819 of 2003 contemplates the elaboration of reports to assure that the strategic planning tools are relevant and consistent with the socioeconomic, cultural and environmental context.

As a result of the tool kit updating and the provision of technical assistance, local governments have a functional tool to support their budget and financial planning strategies.

### Multipurpose Cadastre and property tax

The Law of the National Development Plan raised the Multipurpose Cadastre as an "integral, complete, up-to-date, reliable, integrated with the real estate registration system, digital and interoperable with other information systems". "The Innovation consists of supplementing purely cadastral information, which includes physical, economic and ownership characteristics, with registration data, home services, social services,





transportation, subsoil, land uses, environmental aspects, among others. In this way, the cadastre would become an essential source of information for the planning and management of the territory, as well as for the implementation of public policies." (Territorial Tax System Study Committee – CESTT, Final Report)

With the implementation of the multipurpose cadastre model it is expected to leave behind the existing lag in the country's cadastral information with benefits not only in terms of collection, but mainly in terms of planning and territorial development.

For this purpose, it is planned to strengthen the institutional capacities of territorial entities to take direct responsibility in the performance of the cadastral function. By being directly interested in knowing the cadastral information and use it correctly, territorial entities are expected to play an efficient role.

The Barranquilla District is a good example of the benefits it can represent for the territorial entity to assume the cadastral function directly. In addition to achieving acknowledgement of its territory, it improved the collection of its property tax, not only by increasing appraisals but by having updated information. Property tax collection increased by 30% from COP \$263 billion in 2017 to COP \$353 billion in 2018.

The implementation of the multipurpose cadastre should consider different aspects such as financing capacities, cost reduction in a way that maximizes the quantity and quality of information collected subject to local budget constraints and institutional capacities of each territorial entity.

In this sense, the Ministry of Finance and Public Credit participates in the strategies that have been in place to provide support to territorial entities for the better performance of their powers, particularly in financial and tax matters.

<sup>[1]</sup> La Ley 550 de 1999, es la norma que regula en Colombia los procesos de insolvencia fiscal territorial. Su objetivo es establecer un marco legal especial para que las ET que presentan un alto nivel de pasivos respecto a su flujo de recursos y en consecuencia judicializadas por sus acreedores, puedan efectuar el pago programado de sus obligaciones vencidas. Este régimen de insolvencia se caracteriza porque su acogimiento es voluntario por parte de la ET, es mediado por el Ministerio de Hacienda y Crédito Público y se fundamenta en la negociación de una fórmula de pago entre la ET y sus acreedores legalmente reconocidos. Como garantía de cumplimiento del acuerdo de pago, la ET se compromete a la reorientación de rentas y a la implementación de medidas tanto de orden fiscal como administrativo que generen el incremento de los ingresos y la reducción de los gastos y, a su vez, lograr unas finanzas sostenibles. Igualmente, dentro de las medidas establecidas en este régimen especial, se destaca que durante la vigencia del Acuerdo de Restructuración de Pasivos (como la Ley 550 denomina al acuerdo de pago) la ET no puede ser objeto de procesos judiciales de embargo.

<sup>[2]</sup> Las principales normas de responsabilidad fiscal territorial son: Ley 358 de 1997, Ley 550 de 1999, Ley 617 de 2000 y la Ley 819 de 2003.

<sup>[3]</sup> Un análisis del comportamiento fiscal y financiero de los municipios de Barranquilla, Montería y de otras ET que ejecutaron o vienen ejecutando Acuerdos de Restructuración de Pasivos pueden ser consultados en:





### https://www.minhacienda.gov.co/webcenter/portal/EntidadesdeOrdenTerritorial/pages\_info rmesdeviabilidadfiscal

### JAPAN INTERNATIONAL COOPERATION

In order to increase cooperation in the field of smart cities, in March, the offer of the Japanese Government was socialized, which offers co-financing for smart city projects of public entities of the local order in Colombia. The socialization session was attended by representatives of the municipalities identified by the ICT Ministry, which in December 2020 requested technical support for the structuring of smart city projects. The commitment of MinTIC is to facilitate the access of the municipalities to the international offer in this matter

## Implement subnational and local government capacity-building programmes in financial planning and management

### Instrument for the Financing of Urban Renewal - TIF

Law 1955 of 2019 (National Development Plan 2018-2022) authorized municipalities that meet the conditions established to adopt the instrument for the financing of urban infrastructure linked to strategic urban renewal projects, through the securitization of all or part of the highest future collection values of the property tax generated in the areas of influence of the respective strategic urban renewal projects.

The National Government ruled this instrument with Decree 1382 of 2020 specifying the requirements and procedures for its implementation. The Ministry of Finance was particularly involved in the use of these financing instruments so it does not threaten the fiscal sustainability of territorial entities.

### Real right surface accessory in transport infrastructure

Law 1955 of 2019 (National Development Plan 2018-2022) when referring to other sources of funding for transport systems (Article 97), included the "Real right surface accessory in transport infrastructure", according to which a public entity may grant the actual right of surface to a third party called a superfitiary, under the terms and conditions indicated.

Currently the implementation of this instrument is subject to the regulation of the national government at the head of the DNP and sectorial ministries. The Finance Ministry participates in the discussions prior to such regulation, which ensures that its implementation does not jeopardize the fiscal sustainability of territorial entities.

## 8. Increase cooperation and knowledge exchange on science, technology and innovation to benefit sustainable urban development

Through the Center for Digital Public Innovation, the Ministry of Information and Communications Technologies supported the development of research and projects on the use of ICT by universities and rural communities that involved cooperation and exchange of knowledge for sustainable urban development. Some of them are listed below:1. Road





accident prevention with the Internet of Things and smart vision. More information at: https://centrodeinnovacion.mintic.gov.co/es/investigaciones/prevencion-de-accidentalidad-vial-con-internet-de-las-cosas-y-vision-inteligente

2. Environmental diagnosis prototype on PM2.5 particles in the Aburrá Valley, through IoT and advanced data analytics. More information at: https://centrodeinnovacion.mintic.gov.co/es/investigaciones/protype-de-diagnosticoambiental-sobre-particulas-pm25-en-el-valle-de-aburra

3. Artificial intelligence to identify which Sustainable Development Goals are related to voice interviews. More information at <u>https://centrodeinnovacion.mintic.gov.co/es/investigaciones/inteligencia-artificial-para-identificar-que-objetivos-de-desarrollo-sostenible-se</u>

## Information Technology and Innovation Items

## 1. Develop user-friendly, participatory data and digital platforms through egovernance and citizen-centric digital governance tools

## WWW.DATOS.GOV.CO

The ICT Ministry has provided Colombia's national open data portal: <u>datos.gov.co</u>, in order to provide the main tool for publishing open government data in the country, this platform today has more than 5,300 sets of quality open data provided by 903 publishing entities at national and territorial level; and today the portal reaches more than 120 million visits since its launch in 2015.

The open data portal has an API that allows real-time access to different types of data, including for example national public procurement, or data on the number of people (anonymized data) infected with Covid, among other data of citizen interest. In the section on data uses, some of the main uses of open data in the country are shown: <a href="https://herramientas.datos.gov.co/es/usos">https://herramientas.datos.gov.co/es/usos</a>

### GOV.CO TERRITORIAL http://www.gov.co/territorial/

Supports compliance with the Digital Government policy, providing a website for all public entities of the Colombian Government allowing the increase of citizen participation and interaction with the public administration, strengthening open government, supporting institutional management and bringing citizens closer to their rulers. For citizens, the website becomes the closest channel to inform themselves and communicate with their local entities. For public entities, it is a tool that allows them to transparently report their management and meet the needs of their community.

Visits to the territorial portals of the entities belonging to the Gov.co Territorial solution increased by 70% compared to the previous year 2019, achieving a record number for the solution of 132,936,597 visits during 2020, with an average of monthly visits from 11,078,050





The territorial entities created 813,619 contents, 125,624 users were registered and 457,881 participations were achieved during 2020, thanks to the good management carried out by the territorial entities in each of the websites.

Citizens created 200,432 PQRDS on our platform, 151,274 PQRDS were managed by the territorial public entities and continuous monitoring is carried out for the timely response to the requests made. 30 thousand licenses of tools for collaborative work were delivered so that public servants of 2,289 territorial entities, optimize the relationship of the State with citizens in a digital way and take advantage of the challenges that were generated by the crisis caused by COVID-19, increasing the use of territorial websites.

MinTIC delivered 3,332 websites to public entities throughout the national territory distributed by type of entity as follows:

- Mayorships 937
- Governors 10
- Health Entities 541
- Council 611
- Rights 432
- Educational institutions 285
- Public service companies 205
- Comptrollers' offices 23
- Assemblies 21
- Government entities 256

# 2. Expand deployment of frontier technologies and innovations to enhance shared prosperity of cities and regions

During 2020, the ICT Ministry accompanied different initiatives that sought to enhance the use of technologies to improve the management of public administration and the quality of life of citizens. In particular, the following five projects stand out:

- Resolution of public challenges within the framework of "Maximum Speed" strategy which seeks that entities implement the Digital Government policy, and that this allows to improve their public management. In particular, the challenges promoted activities on the following fronts: 1. Include in its strategic plan or action plan, projects related to the implementation of emerging technologies, 2. Develop implementation processes projects with emerging technologies, and 3. Show measurable improvements or benefits from the implementation of projects using emerging technologies. The level of depth of progress depends on the level of robustness that each public entity has. This challenge was addressed by different types of entities at the national and subnational levels.
- Another important project is the one developed with "Agencia de Renovación del Territorio". The challenge that they identified was to be able to articulate initiatives with the institutional offer to positively impact communities trying to fulfill the commitments that the national government has through the initiatives of the entity. For this purpose, an Artificial Intelligence tool was developed to specify the interrelation of initiatives, the historical and institutional supply.





- With "Fiscalía General de la Nación", the challenge that they identified was the necessity of strengthen the process of assigning cases to prosecutors. In general, they needed to associated cases in a more effective way. To achieve this objective, a tool was developed that uses data analytics and Artificial Intelligence to improve the allocation of cases to prosecutors and recommend initial actions.
- The ICT Ministry worked on a challenge of making the management of the organizational strengthening process more efficient. The goal was for leaders to understand how it is developing, evolving, and whether information is easily accessible and understandable. To this end, a tool with Artificial Intelligence was developed that consolidates and centralizes information on indicators, actions, risks of each process for better decision-making.
- With the Agricultural Rural Planning Unit, the aim was to optimize and predict the sowing rate for different agricultural products. The challenge was addressed from the design of a digital solution that integrates historical, expert knowledge and Artificial Intelligence techniques to simulate scenarios to make decisions based on data of future seeding.

## 3. Implement digital tools, including geospatial information systems to improve urban and territorial planning, land administration and and access to urban services

In the last years, the National Planning Department (DNP) has implemented some tools to facilitate territorial planning and monitoring.

Following the CONPES 3819/2014 (National Urban Policy) action plan, the DNP has built the System of Cities Observatory (<u>https://osc.dnp.gov.co/</u>), a think tank for analyzing urban phenomena. Its objective is to generate knowledge to contribute to urban planning and management's decision-making under a functional vision of the territory, defining the "state of the art," identifying upgrade options, monitoring actions, and showing some of the Colombian cities' challenges.

The Observatory integrates information from the Modern Cities Index, a synthetic and multidimensional indicator that aims to determine the advances and challenges of cities and municipalities. It measures cities development according to six dimensions: 1) governance, participation, and institutions, 2) productivity, competitivity, and complementarity, 3) security, 4) sustainability, 5) science, technology, and innovation, 6) and equity and social inclusion.

Similarly, the DNP has implemented the tool "Terridata" (<u>https://terridata.dnp.gov.co/index-app.html#/acercade</u>), a tool to strengthen public management based on municipal and regional statistics. Terridata's main goal is to present and promote standardized comparable indicators, accounting for results of several dimensions for all municipalities and departments.

Terridata is helpful for:

- "Public institutions: providing information to design and target programs and projects, guiding and helping in defining goals and baselines for territorial development plans, providing data for monitoring, analysis and continuous improvement of public management."
- Researchers, Students and Academic Members: for academic activities.

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- Citizens in general: providing up-to-date territorial comparable statistics to help in participation, mobilization, and control processes.

## 4. Build capacities at all levels of government to effectively monitor the implementation of urban development policies

The National Planning Department (DNP) counts with a monitoring tool to follow the implementation of the National Policies CONPES (Economic and Social Policy National Council) documents. The tool, called SisCONPES (<u>https://sisconpes.dnp.gov.co/SisCONPESWeb/Home/Inicio</u>), permits institutions to report their advances in policies' implementation, and citizens to verify the accomplishment of the action plans. This tool also generates balances about policy implementation and shows non-implemented actions or actions with a low level of fulfillment.

The monitoring of the CONPES 3819/2014 System of Cities National Urban Policy is not the exception: it counts with an action plan that shows a 92,07% progress by 2020, according to the reports of the involved institutions and the verification of the DNP.