

TC Document

I. Basic Information for TC

▪ Country/Region:	COLOMBIA
▪ TC Name:	Support Program for the Urban, Economic and Social Sustainability of Pescaíto - Santa Marta
▪ TC Number:	CO-T1539
▪ Team Leader/Members:	Lopez Ghio, Ramiro Andres (CAN/CCO) Team Leader; Leyva Munoz, Cesar (CSD/CSD) Alternate Team Leader; Crausaz Sarzosa, Ernesto Patricio (VPC/FMP); Hillman, Eugenio F. (VPC/FMP); Lopez Aguilar, Natalia (CAN/CCO); Massini, Marina (CAN/CAN); Negret Garrido, Cesar Andres (LEG/SGO); Parra Alvarez, Juliana (CAN/CCO); Salazar Echavarria, Carlos Alberto (CSD/CCS); Vargas Cuevas, Fernando Esteban (IFD/CTI); Ternent, Marie Christine
▪ Taxonomy:	Client Support
▪ Operation Supported by the TC:	
▪ Date of TC Abstract authorization:	05 Aug 2019.
▪ Beneficiary:	Touristic, Cultural and Historic District of Santa Marta, Pescaíto
▪ Executing Agency and contact name:	Fundación Carulla, Fútbol Con Corazón Aeio-TU Fundación Carulla Maria Adelaida López: malopez@aeiotu.org Fútbol con Corazón Carlos Pérez: cperez@fcc.futbol
▪ Donors providing funding:	Japan Special Fund Poverty Reduction Program(JPO)
▪ IDB Funding Requested:	US\$650,000.00
▪ Local counterpart funding, if any:	US\$415,000.00 (In-Kind)
▪ Disbursement period (which includes Execution period):	24 months (execution period 18 months)
▪ Required start date:	February, 2020
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	CAN/CCO-Country Office Colombia
▪ Unit of Disbursement Responsibility:	CAN/CCO-Country Office Colombia
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes, included in CPD 2020
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Environmental sustainability; Gender equality

II. Objectives and Justification of the TC

II.1 Pescaíto area in Santa Marta¹ is formed by six low-income neighborhoods (Pescaíto, Olaya Herrera, Ensenada Olaya Herrera, Villa Tabla, San Martín and Barrio Norte)

¹ Santa Marta is the capital city of Magdalena department. According to National statistics department, the projection for 2019 total population is 515,717 inhabitants (96.8% in urban area). According to the Measurement of informal employment and social security (DANE, mobile quarter May-July 2019) Santa Marta is the second city, after Cúcuta AM) with the highest proportion of informal employed population with 64% (compared to 47.5% national). Also, the incidence of monetary poverty for 2018 was 33.7% (compared to 27% national), being the fifth city after Quibdó, Riohacha, Cúcuta A.M and Valledupar).

with an extension of 124 Ha and 17,000 inhabitants². Almost 90% of the population belongs to the tiers 1 y 2 (poorest socioeconomic group) of which only 13% are employed, only 36.7% of the population has attended elementary school while 30% has no access to education. In addition, 37.7% has no health care coverage³. On the most part, social problems within this area are related to violence, drugs and gangsterism. Despite this, Pescaíto is also known for the practice of sports – especially football - the cultural identity of its people associated with gastronomy, music, dance and the performance of the Pescaíto Carnival.

- II.2 Considering the socioeconomic characteristics of Pescaíto and the importance of football within the local culture, a social inclusion program based on the practice of this sport was implemented during 2016 and 2019. As a result, it has been implemented in two areas of the neighborhood (San Martín and Olaya Herrera), helping to improve physical and psychological health, foster education, discipline, social values, and increase communication⁴ in 240 children and young boys and girls from the community (5 to 17 years old). The methodology was also replicated in football schools using “La Castellana” football field. However, it is considered necessary to give it sustainability through the consolidation of business models that allow the permanence and continuity of the programs both in the neighborhood and in other areas of the city.
- II.3 The cultural and creative industry (also known as Orange Economy⁵) contributes directly to the economy of a country in terms of added value, exports, investments and increased productivity. According to the United Nations Conference on Trade and Development (UNCTAD), the size of the global market for creative goods has expanded substantially more than doubling in size from \$208 billion in 2002 to \$509 billion in 2015⁶ and generates 29.5 million jobs worldwide, employing approximately 1% of the world’s active population. In Latin America, and the Caribbean, the contribution in terms of revenues is around US\$124 billion (approximately 2.2% of the GDP), employing around 1.9 million workers⁷. As for Colombia, in 2014 creative goods exports stood at \$358 million. Key sectors were design (interior design and fashion

² Plan de Vida y Desarrollo Comunitario del Gran Pescaíto (2018).

https://drive.google.com/file/d/1sgTm00b_PPzp48a1ZYQjOVxGPGdWFqib/view

³ *Prourbana S.A.S (2015). Elementos de base proyecto recuperación Pescaíto*

⁴ Several studies conclude that participation in extra curriculum activities leads to the acquisition of human capital (individual's level of skills, knowledge and educational attainment), social capital (one's network of relationships) and cultural capital (acquisition and possession of more intangible things such as art, culture, attitudes, and values). *Estructura social de la práctica deportiva en Sociología del Deporte*, García Ferrando, M, Puig, N. y Lagardera, F. (comps.), Madrid: Alianza; García, A., Carvajal, C. (1999). McNeal (1999) McNeal, R.B. Participation in high school extracurricular activities: investigating school effects, *Social Science Quarterly*, vol.80. p. 291

⁵ According to Benavente, and Grazzi, 2017 (<http://dx.doi.org/10.18235/0000841>) “the orange (or creative) economy is the group of activities through which ideas are transformed into cultural and creative goods and services whose value is or could be protected by intellectual property rights (IPRs).” Previous studies (Quartesan, Romis, and Lanzafame, 2007; Buitrago and Duque, 2013; Oxford Economics, 2014) and definitions coincide in the following aspects of the orange economy: (i) the recognition of creativity, arts, and culture as productive endeavors; (ii) the relationship with generating and exploiting IPRs, in particular copyright; and (iii) the direct role of these activities in the value chain that transforms ideas into products. The creative economy includes activities related to three main concepts: (i) traditional and artistic activities, (ii) the creative industry, and (iii) activities that provide creative support to traditional industries.

⁶ UNCTAD, 2018. Creative Economy Outlook. Trends in international trade in creative industries 2002 – 2015. Country Profiles 2005–2014. https://unctad.org/en/PublicationsLibrary/ditcted2018d3_en.pdf

⁷ Cultural times. The first global map of cultural and creative industries. EY (2015). https://en.unesco.org/creativity/sites/creativity/files/cultural_times_the_first_global_map_of_cultural_and_creative_industries.pdf

accessories), art crafts (nearly 300,000 Colombian artisans work and preserve the art of manual techniques), and publishing, mainly school texts/books and journals⁸.

- II.4 Taking into account that Pescaíto area could be considered as a hub of activities that can be registered within the creative economy, it is worth highlighting the possibilities of job creation and job training in these fields. The Bank Group has been leading innovation and creative economy projects, strengthening capacities for LAC policy-makers to design, implement, monitor and evaluate policies (RG-T2959); enhancing Intellectual Property (IP) Management (as in Paraguay, PR-T1260) of public sector efficiency, effectiveness and accuracy of administrative procedures through automatization and providing greater accessibility to accelerate competitive, sustainable and knowledge-based economic development; or promoting digital transformation (as in Brazil, BR-T1374; Colombia, CO-T1475; Honduras, HO-T1256 among others). In addition, during 2019 IDB LAB and the Innovation and Creativity Division have been promoting the Orange Innovation Challenge for 9 countries in Central America⁹ aimed to strengthening the ecosystem of creative entrepreneurship, job creation and knowledge transfer. In Colombia, it has been supported by the Ministry of Culture to encourage the country's cultural entrepreneurs to implement projects internationally as part of the export of goods in the creative industry.
- II.5 Also, the Bank group have broad experience working in social inclusion initiatives focused in vulnerable communities throughout the region, which have brought innovative approaches using sports as a vehicle for reducing violence, improving social cohesion and gender equality. The proposed Technical Cooperation (TC) is built upon programs undertaken by the Bank in Bolivia, Brazil, Colombia, Haiti, and Uruguay to mainstream sports for development activities into its lending and non-lending mechanisms, such as the implementation of comprehensive social interventions targeting particularly at-risk youth in vulnerable settlements
- II.6 The TC is consistent with the Institutional Strategy Update (UIS) 2010-2020 (AB-3008) and is aligned with the development challenges (i) social inclusion and equality; and (ii) productivity and innovation; and with the cross-cutting themes (i) climate change and environmental sustainability; and (ii) gender equality and diversity. It is also aligned with the Bank's Strategy with Colombia 2019-2022 (GN-2972) in the strategic area of Social Mobility and Consolidation of the Middle Class and in the Digital Economy challenge. In addition, it is aligned with the sectoral strategies of: (i) Housing and Urban Development, by protecting urban heritage, promoting safe public spaces and strengthening capacities in planning, coordination and institutionality and increasing citizen participation; (ii) Institutions for Development and Social Welfare as it seeks to strengthen human capital, improve labor markets and prevent crime and violence; and (iii) Social Protection and Poverty, in early childhood care and risks associated with youth vulnerability.
- II.7 The TC is aligned with the National Development Plan 2019-2022 as it provides support to entrepreneurs, seeks to generate greater equity, and proposes projects associated with the Orange Economy and culture. In addition, it is related to the Pact for Sustainability by seeking balance between productive development and environmental conservation with a Circular Economy approach.
- II.8 Finally, the CT is aligned with the focused sectors of the Japan Special Fund Poverty Reduction Program (JPO) as it supports: (i) the provision of basic social services for vulnerable groups such as early childhood and youth-at-risk; (ii) productive activities

⁸ UNCTAD, 2018

⁹ Belice, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama and Dominican Republic.

such as: business and technical skills training, microenterprise activities for a sustainable livelihood; and (iii) institutional strengthening and capacity building of community organizations

- II.9 The objective of the CT is to consolidate the urban, social and economic sustainability of the Pescaíto area in the city of Santa Marta. Specifically, it seeks to: (i) support the creation of a creative and cultural district for the generation of productive opportunities framed in the “orange economy” and the “circular economy” to support its economic sustainability promotion as a tourist and cultural destination; and (ii) strengthen social inclusion through early childhood care and the promotion of sports in children and young people through the implementation of replicable methodologies and business models for local operators.

III. Description of activities/components and budget

- III.1 **Component 1. Conformation of an Orange Development Urban Area¹⁰ and generation of economic development initiatives:** The objective of this component is to promote the transformation of the neighborhood as an AUDN - creative and cultural district and carry out the necessary support to strengthen the Pescaíto carnival as a pillar of economic development for the community. This includes the strengthening of different artistic and cultural manifestations such as dance, gastronomy, music, handicrafts, among others; in order to consolidate the neighborhood as a tourist asset for the city. A strategy of inclusive growth of the Carnival will be prioritized through business models based on the “circular economy”. This component will finance, among others, the development of the urban plan, support for the structuring of the business plans and support for the consolidation of alliances for the implementation and dissemination of the associated programs.
- III.2 **Component 2. Quality care for early childhood:** The objective of this component is to give continuity to early childhood care for children from the neighborhood, in addition to strengthen practices in high quality care for early childhood operators in the community in order to improve their educational practices, seeking to leave installed capacity. This component will finance the implementation of methodologies, transfer of knowledge through workshops among others.
- III.3 **Component 3. Inclusion through sports:** The main objective is to generate empowerment for the formalization of local soccer schools and thus guarantee the sustainability of the project. Additionally, it aims to develop business models for selected schools in order to create economic development for the community. This component will finance: the implementation of a methodology for inclusion in the labor market of young people from the age of 15 to 17¹¹ seeking to leave installed capacities as trainers and the support for the structuring of business plans for, at least, three local football schools.
- III.4 **Component 4. Project management, monitoring, evaluation and dissemination:** The objective of this component is to: monitor the progress of the implementation; evaluate the results; and disseminate the experience and lessons learned to replicate the program in other areas of the city. The activities to be financed

¹⁰ AUDN, by its acronym in Spanish (Área Urbana de Desarrollo Naranja)

¹¹ According to Colombian Law 1098/2006, to work, adolescents between 15 to 17 years old require the respective authorization issued by the Labor Inspector (or by the local government in absence him). They enjoy labor protections enshrined in Colombian labor regime. Exceptionally, children under 15 years old may receive authorization to perform a certain paid type of artistic, cultural, recreational and sports activities. The authorization shall establish maximum hours and will prescribe the conditions that this activity should be performed.

include: (i) monitoring and evaluation; (ii) external audit; and (iii) communication and dissemination

III.5 Expected results include: (i) improve community organizational forms and capacities to manage own projects; (ii) improve employment opportunities and income generation to entrepreneurs; (iii) provide attention to children and families and transfer methodology for early childhood care and education to local operators; and (iv) strengthen capacities to replicate football development methodology”.

III.6 The estimated cost of the project is US\$1,065,000, of which IADB will provide a non-reimbursable TC of US\$650,000 that will be financed with resources from the Japan Special Fund - Poverty Reduction Program (JPO), and US\$415,000 will be counterpart, from which aeioTu-Fundación Carulla will provide US\$297,000, in kind, corresponding to the operation of the comprehensive care of children family mode activity. As for FCC, their contribution is US\$58,000 in kind. Other local contributions are related to consultancy services for workshops and the communication strategy.

Indicative Budget

Component/ Activity	IDB/Fund Funding	Counterpart Funding	Total Funding
Conformation of an Orange Development Urban Area and generation of economic development initiatives	US\$300,000	US\$60,000	US\$360,000
Quality Care for Early Childhood	US\$78,000	US\$297,000	US\$375,000
Inclusion trough sports	US\$192,000	US\$58,000	US\$250,000
Project management, monitoring, evaluation and dissemination	US\$80,000	-	US\$80,000
TOTAL	US\$650,000	US\$415,000	US\$1,065,000

III.7 The Team Leader will be responsible for the supervision of the TC with the support of the team members.

IV. Executing agency and execution structure

IV.1 Components 1 and 2 will be executed by aeioTU Fundación Carulla, a non-profit organization founded in 1961. In the last 10 years, it has worked to improve the quality and coverage of the ecosystem of comprehensive early childhood care services in vulnerable communities of Colombia. It operates 30 schools of its own, has provided attention to more than 236,000 children (between 0 months and 5 years), has trained more than 14,000 educators and influenced the parenting practices of more than 425,000 parents or caregivers. It also has the capacity to coordinate and contract physical infrastructure works. It has successfully executed the ATN / JO-15625-CO cooperation, with resources for US\$639,000; as well as the ATN / ME-12817-CO operation for US\$1,010,945, which improved access to quality early childhood development services for low-income populations.

IV.2 Component 3 will be executed by Fútbol con Corazón (FCC), a social enterprise that has been operating for more than 10 years and has approximately 20,000 beneficiaries in 9 departments of Colombia. The execution of the ATN / JO-15627-CO operation, with resources for US\$311,000, has had satisfactory results. Additionally, between 2011 and 2014, it executed a CT of the World Bank (Japan Social Development Fund - JSDF) for US\$1.9 million.

IV.3 Given the experience that aeioTU Fundación Carulla y Fútbol con Corazón have had in the Pescaíto community and their ability to coordinate with the dependencies of

the district administration, it is pertinent that these organizations be the executing agencies for this TC.

- IV.4 The TC will be carried out by the two executing agencies (EA) as co-executors, each taking responsibility for corresponding activities, such as acquisitions, financial and accounting reports, among others. Also, aeioTu – Fundación Carulla will be responsible for component 4 and will have the task of consolidating the information for progress and final reports to be submitted for supervision and the external audit.
- IV.5 The procurement of goods and the selection and hiring of consultants to be paid with resources from the TC will be carried out in accordance with Bank policies (GN-2349-9 and GN-2350-9). Since both EA belong to the private sector, the TC will be governed by the provisions of Appendix 4 of the Bank's Procurement Policies and the procedures to be followed on the appropriate use of the funds from its operations, eligibility of goods, works and services, as well as those that refer to the application of the rules of transparency, economy, efficiency and prohibited practices.
- IV.6 In accordance with Bank policies, a Procurement Plan (PP) will be agreed for the first 18 months of execution. The EA must update the PP annually or when substantial changes occur. Any proposed revision of the PA must be agreed and approved by the Bank.
- IV.7 With the acceptance of the Bank, resources from the contribution may be used to reimburse expenses incurred or finance those incurred in the project from the approval of the TC and until the effective date, in compliance with requirements analogous to those established for eligible expenses.
- IV.8 Semiannual follow-up reports and annual reports on the progress of the Results Matrix, the Annual Operating Plan and Procurement Plan will be made. The EA will be responsible for carrying out the monitoring and follow-up of the project and will be carried out according to Bank policies and procedures. A final evaluation will be carried out in the last three months of project execution, which should include the achievement of the results (or the probability of reaching them upon completion). The final evaluation should also study the sustainability of the project results and present lessons learned and recommendations for their application in other similar operations.
- IV.9 The first disbursement will be conditioned on the following preconditions being fulfilled to the satisfaction of the Bank: (i) designation of the officials representing the co-executing agencies with the authentic copies of the signatures of the representatives; (ii) presentation of the contribution utilization schedule; and (iii) that the Co-executing Agencies present evidence that they have an adequate financial information system and internal control structure.

V. Major issues

- V.1 The risk of the operation is classified as low. A risk for the appropriation and sustainability of economic development projects is the lack of commitment from the community. For this purpose, workshops, socialization and coordination with new local government officials are planned to incorporate the projects into the District Development Plan. Another risk would be that a small part of the participants in the sports program leave before finalizing and that the trained leaders fail to enter the labor market. To mitigate it, there is the involvement of the district government and the Tras La Perla de la América Initiative, in addition to FCC's experience in these types of programs.

VI. Exceptions to Bank policy

- VI.1 No exceptions to Bank policy are considered

VII. Environmental and Social Strategy

VII.1 Due to the nature of this TC, no environmental or social risks associated with its implementation have been identified. Therefore, the CT was classified as Category "C" (see environmental filters SSF and SPF).

Required Annexes:

[Request from the Client_58985.pdf](#)

[Results Matrix_23365.pdf](#)

[Terms of Reference_58081.pdf](#)

[Procurement Plan_56166.pdf](#)

* If TC Document is sent for BOD approval, the only Annexes that need to be translated are the Results Matrix and the Procurement Plan. The Request from Client and the ToRs should be included as links and no translation is required.