



Royalty-Funded Projects in Colombia

How to Enable Citizen Participation to Improve Delivery of Local Projects



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Overview

How could the government of Colombia enable effective citizen monitoring of royalty-funded projects? The Colombian government adopted citizen participation and accountability as its main approaches to improve good governance and public effectiveness. Colombia's legal framework set the foundations for civil society's participation, but the participatory legal framework has been challenging to implement. The 2004 crisis in the royalties' system that led to the disbanding of the original Royalties Agency and the subsequent system revamping, with the National Planning Department (Departamento Nacional de Planeación or DNP) playing a key role. In 2006, the New Royalties Directorate Director Amparo Garcia was hired, bringing new leadership and vision. In 2009, talks between the DNP and the World Bank led to an agreement with the World Bank to analyze the citizen visible audit methodology and begin the governance partnership facility project. In 2012, an impact evaluation was conducted and recommendations emerged on how to improve the citizen visible audit; the DNP used a focus on results for citizens, evidence to achieve results, and a multidisciplinary team that adapted to changing circumstances during implementation.

Key contextual conditions:

- During the past decade, thanks to impressive economic growth, Colombia has strengthened its social policies to expand opportunities for the majority of the population. Increased demand for commodity prices generated an increase in royalty funds distributed to local governments. Colombian law mandates that these royalty funds must be allocated for capital investments for social services (such as health and education).
- The crisis in the use of public resources as a result of violence, insufficient local capacities, lack of government monitoring, and mishandling of public funds became a political issue because it damaged citizens' trust in government institutions while significantly encumbering Colombia's attainment of more inclusive development.
- In response to shortcomings in local service delivery and problems with the management of public resources, particularly royalties, citizens demanding better-functioning institutions and more accountability.

Key stakeholders: Private sector; donors; community, civic, and nongovernmental organizations; citizens; and subnational governments.

PROJECT DATA

PARTNER ORGANIZATION:

World Bank

ORGANIZATION TYPE:

Multilateral

DELIVERY CHALLENGES:

Governance and politics; coordination and engagement

DEVELOPMENT CHALLENGE:

Improving the use of public resources

SECTOR:

Governance and public sector management

COUNTRY:

Colombia

REGION:

South America

PROJECT DURATION:

2010–15

PROJECT TOTAL COST:

US\$1,487,187

ORGANIZATION COMMITMENT:

US\$1 million

CONTACTS

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Lessons Learned

- Allocation of public resources (royalties), efficiency in their use, and accountability of local authorities to citizens were improved as a consequence of the creation of conditions for citizen control over the implementation of capital investment projects and the use of royalties. This in turn increased trust among citizens and local authorities and improve local governance.
- By using a strategy of leadership for change, identifying incentives, understanding drivers of change, and facilitating the process, with a strong focus on citizen involvement, the DNP engaged and exercised leadership, built trust, and coordinated with different stakeholders.
- With a focus on results for citizens, evidence to achieve results, and a multidisciplinary team that adapted to changing circumstances during implementation, the DNP managed to create sufficient space for adaptive implementation, learn through the process, and encourage others to learn.

Development Challenges

The development challenge was to build trust in public institutions and facilitate more inclusive development through public investment. To achieve these goals, the Colombian government needed to improve the use of public resources.

Delivery Challenges

The new Royalties Directorate assumed responsibility for the CVAs and needed to build the right team and put together a framework that encouraged learning, adaptation, and coordination with other stakeholders, including the World Bank, government bodies, nongovernmental organizations, and academia.

- The DNP had to increase transparency of local public works and citizen engagement to sharpen local accountability, in order to leverage this increased public scrutiny as an incentive for local governments to improve delivery of local royalty-funded projects
- The DNP team had to build presence in local communities and territories to engage citizens and coordinate with and support subnational governments
- In tandem with building mechanisms to engage local citizens, the DNP team had to provide support to local governments, checking up on commitments while building local capacity to monitor and manage public investment projects.



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