



The World Bank

Colombia: Social and Economic Integration of Migrants DPF (P176505)

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROGRAM DOCUMENT FOR A

PROPOSED LOAN IN THE AMOUNT OF US\$500 MILLION

WITH SUPPORT FROM THE GLOBAL CONCESSIONAL FINANCING FACILITY IN THE AMOUNT OF
US\$26.4MILLION

TO
THE REPUBLIC OF COLOMBIA FOR THE

SOCIAL AND ECONOMIC INTEGRATION OF MIGRANTS
DEVELOPMENT POLICY FINANCING (P176505)

October 19, 2021

Social Sustainability & Inclusion
Latin America And Caribbean Region

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The World Bank

Colombia: Social and Economic Integration of Migrants DPF (P176505)

Republic of Colombia

GOVERNMENT FISCAL YEAR

January 1 – December 31

CURRENCY EQUIVALENTS

(Exchange Rate Effective as of October 8, 2021)

COP3,788 = US\$1.00

ABBREVIATIONS AND ACRONYMS

CCE	Colombia's Government Procurement Agency (<i>Colombia Compra Eficiente</i>)	MSPS	Ministry of Health and Social Protection (<i>Ministerio de Salud y Protección Social</i>)
CCRF	Consultative Committee on the Fiscal Rule (<i>Comité Consultivo para Regla Fiscal</i>)	MTEF	Medium-Term Expenditure Framework
CDVD	Home and neighborhood improvement program (<i>"Casa Digna Vida Digna"</i>)	MW	Minimum Wages
CIT	Corporate Income Tax	NDP	National Development Plan (<i>Plan Nacional de Desarrollo</i>)
CONPES	Council for Economic and Social Policy (<i>Consejo Nacional de Política Económica y Social</i>)	NPL	Non-Performing Loans
CPF	Country Partnership Framework	PAEF	Formal Employment Support Program (<i>Programa de Apoyo al Empleo Formal</i>)
CPI	Consumer Price Index	PDO	Program Development Objectives
DANE	National Administrative Department of Statistics (<i>Departamento Administrativo Nacional de Estadística</i>)	PEFA	Public Expenditure and Financial Accountability Assessment
DNP	National Planning Department (<i>Departamento Nacional de Planeación</i>)	PEP	Special Permit of Permanence (<i>Permiso Especial de Permanencia</i>)
DRM	Disaster Risk Management	PER	Public Expenditure Review
DPF	Development Policy Financing	PFM	Public Financial Management
DPS	Department of Social Protection (<i>Departamento de Protección Social</i>)	PPT	Temporal Protection Permit (<i>Permiso de Protección Temporal</i>)
ECV	Living Standards Suvey (<i>Encuesta de Condiciones de Vida</i>)	Q/Q	Quarter Over Quarter
EMBI	Emerging Markets Bonds Index	R4V	Regional Coordination Platform for Venezuelan Refugees and Migrants
FAE	Savings and Stabilization Fund (<i>Fondo de Ahorro y Estabilización</i>)	RAMV	Administrative Registry of Venezuelan Migrants (<i>Registro Administrativo de Migrantes Venezolanos</i>)
FCV	Fragility, Violence and Conflict	RUD	Unique Victims Registry (<i>Registro Único de Víctimas</i>)
FDI	Foreign Direct Investment	RUMV	Single Registry of Venezuelan Migrants (<i>Registro Único de Migrantes Venezolanos</i>)
FF	Foster Formalization	RUTEC	Registry of Foreign Workers in Colombia (<i>Registro Único de Trabajadores Extranjeros en Colombia</i>)
FLC	Flexible Credit Line	SAT	Transactional Affiliation System
FOME	Emergency Mitigation Fund (<i>Fondo de Mitigación de Emergencias</i>)	SBD	Standard Bidding Documents
FOREX	Foreign Exchange	SCD	Systematic Country Diagnostic
GCFF	Global Concessional Financing Facility	SDP	National Rental Housing Program (<i>Semillero de Propietarios</i>)
GDP	Gross Domestic Product	SDR	Special Drawing Rights
GEIH	Great Integrated Household Survey (<i>Gran Encuesta Integrada de Hogares</i>)	SGSSS	General System of Social Security in Health (<i>Sistema General de Seguridad Social en Salud</i>)
GIFMM	Interagency Group on Mixed Migration Flows (<i>Grupo Interagencial sobre Flujos Migratorios Mixtos</i>)	SIMAT	Education's Enrollment Integrated System (<i>Sistema de Matrículas Estudiantil</i>)
GNP	Gross National Product	SIRE	Foreigners Registry Information System (<i>Sistema de Información de Registro de Extranjeros</i>)
GoC	Government of Colombia	SISBEN	Social Registry System (<i>Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales</i>)
GRS	Grievance Redress Service	SNGRD	National Disaster Risk Management System (<i>Sistema Nacional de Gestión del Riesgo de Desastres</i>)
IBRD	International Bank for Reconstruction and Development	SPD	Standard Procurement Documents
ICBF	Colombian Institute for Family Welfare (<i>Instituto Colombiano de Bienestar Familiar</i>)	SSC	Sectoral Statistical Committees
ICA	Industry and Commerce Tax (<i>Impuesto de Industria y Comercio</i>)	TES	Treasury Bonds
IADB	Inter-American Development Bank	TMF	Border Mobility Card (<i>Tarjeta de Movilidad Fronteriza</i>)
IDA	International Development Association	TPS	Temporary Protection Status
IFC	International Finance Corporation	TTP	Temporary Transit Permit
IFRS	International Financial Reporting Standards	UNGRD	National Unit for Disaster Risk Management (<i>Unidad Nacional para la Gestión del Riesgo de</i>
IMF	International Monetary Fund		
IOM	International Organization for Migrations		
ISA	International Standards on Auditing		
LDP	Letter of Development Policy		

MADS	Ministry of Environment and Sustainable Development (<i>Ministerio de Medio Ambiente y Desarrollo Sostenible</i>)	UNHCR	<i>Desastres</i> United Nations High Commissioner Office for Refugees
MHCP	Ministry of Finance and Public Credit (<i>Ministerio de Hacienda y Crédito Público</i>)	UVR	Unit Value Ratio (<i>Unidad de Valor Real</i>)
MVCT	Ministry of Housing, City and Territory (<i>Ministerio de Vivienda, Ciudad y Territorio</i>)	VAT	Value Added Tax
MIB	Comprehensive Neighborhood Improvement (<i>Mejoramiento Integral de Barrios</i>)	WB	World Bank
		WBG	World Bank Group
		WHO	World Health Organization
		ZESE	Special Economic and Social Zones (<i>Zonas Económicas Sociales y Especiales</i>)

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REPUBLIC OF COLOMBIA

COLOMBIA: SOCIAL AND ECONOMIC INTEGRATION OF MIGRANTS DPF

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SUMMARY OF PROPOSED FINANCING AND PROGRAM

BASIC INFORMATION

Project ID	Programmatic
P176505	No

Proposed Development Objective(s)

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

Organizations

Borrower:	REPUBLIC OF COLOMBIA
Implementing Agency:	DEPARTAMENTO NACIONAL DE PLANEACIÓN, MINISTERIO DE HACIENDA Y CRÉDITO PÚBLICO

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Financing	526.40
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DETAILS

International Bank for Reconstruction and Development (IBRD)	500.00
Trust Funds	26.40
Concessional Financing Facility	26.40

INSTITUTIONAL DATA

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Overall Risk Rating

Substantial



Results

Indicator Name	Baseline	Target
Results Indicator #1A: Venezuelan migrants, of which women, issued a Temporary Protection Permit.	0 [2021]	1.1 million; 45%-55% [2023]
Results Indicator #1B: Venezuelan migrants, of which women, registered in the General System of Social Security in Health (SGSSS)	313,392 [2021]	700,000 [2023]; 45%-55% [2023]
Results Indicator #1C: Percentage of Venezuelan migrants, of which women, with PEP/PPT that have been applied the socioeconomic survey to register in the National System for Identification of Potential Social Program Beneficiaries (SISBEN)	27% [2021]	38% [2023]; 45%-55% [2023]
Results Indicator #1D: Norms, procedures and/or instruments to guide the Integrated Migratory Policy on the issues of (i) socioeconomic integration of migrants; and (ii) the recognition of the statelessness condition for people born abroad or in Colombia.	0 [2021]	2 [2023]
Results Indicator #2A: Interoperable data sharing protocol in place between the RUMV and the National System for Identification of Potential Social Program Beneficiaries (SISBEN), the General System of Social Security in Health (SGSSS), Transactional Affiliation System (SAT), and the Education's Enrollment Integrated System (SIMAT), with data disaggregated by sex.	0 [2021]	1 [2023]
Results Indicator #2B: Percentage of annual statistical action plans proposed by the Migration Statistical Roundtable successfully implemented.	0 [2021]	90% [2023]
Results Indicator #3: Financial Program in place to allow territorial entities, including main host areas, to access contingent lines of credit and expanded guarantee ceiling in the event of climate and natural disasters.	0 [2021]	1 [2023]
Results Indicator #4: Number of new municipal roundtables created.	0 [2021]	6 [2023]
Results Indicator #5: Venezuelan migrants, of which women, vaccinated under the National Vaccination Plan Against COVID-19.	8,798 [2021]	1.1 million [2023]; 45%-55% [2023]
Results Indicator #6A: Households that include at least one Venezuelan member that have received a rental subsidy under the <i>Semillero de Propietarios</i> (SDP) program.	0 [2021]	7,500[2023]
Results Indicator #6B: Women-headed households where at least one household member is migrant that have benefited of the SDP Program.	0 [2021]	2,250 [2023]



IBRD PROGRAM DOCUMENT FOR A PROPOSED LOAN
TO THE REPUBLIC OF COLOMBIA

1. INTRODUCTION AND COUNTRY CONTEXT

1. **This standalone Colombia: Social and Economic Inclusion of Migrants Development Policy Financing (DPF) operation, for US\$500 million plus an additional US\$26.4 million from the Global Concessional Financing Facility (GCFF), aims to support the social and economic integration of migrants from Venezuela into host areas.** The operation is structured around two pillars: (i) legal and institutional basis for the protection and long-term social and economic integration of migrants from Venezuela into host areas; and (ii) improved access to and the quality of basic services for migrants from Venezuela.

2. **After Colombia's two decades of sustained economic growth and poverty reduction, the COVID-19 crisis hit the economy hard, with effects that might take time to absorb.** Colombia's solid economic growth since the early 2000s led to significant social improvements. Extreme poverty fell from 17.7 percent in 2002 to 7.2 percent in 2018. Moderate poverty also decreased, dropping from 49.7 percent to 27.0 percent over the same time frame. In 2020, real GDP contracted by 6.8 percent against a pre-crisis projection of a 3.6 percent growth. As a result of weak revenue collection and higher spending to support the economy and save lives, the general government's overall deficit increased to 7 percent of GDP, compared with a projected 2.6 percent of GDP before the pandemic. Unemployment grew from 12.2 percent in February 2020 to an all-time high of 21.4 percent in May 2020. As a result, the crisis has also reversed the recent progress in social improvements. Notwithstanding the mitigating impact of the emergency social transfers put in place in response to the crisis, the incidence of poverty increased from 35.7 percent in 2019 to 42.5 percent in 2020, reversing all gains in poverty reduction over the last decade.

3. **The Government of Colombia (GoC) has carefully managed its response to the COVID-19 crisis, progressively advancing from immediate and short-term measures to more recent efforts to spur economic recovery into the medium-term.** At the onset of the crisis in March 2020, the government acted swiftly by imposing strict lockdown and mobility restrictions and rolling out a broad program focused on saving lives and, protecting livelihoods and the economy. Measures were implemented to strengthen the capacity of the health system; provide income and nutrition support to poor and vulnerable households; and maintain liquidity and access to finance for firms. In May 2020, the government initiated a progressive process of opening the economy. In February 2021, the GoC approved a comprehensive set of policies and investment programs to restore the economy to its pre-COVID-19 growth path in the short term while transitioning to more sustainable, resilient growth in the long term.¹

4. **Latin America is experiencing an unprecedented exodus of migrants and refugees from Venezuela, precipitated by the multifaceted humanitarian, economic and social crisis in that country.** Second only to Syria, migration from Venezuelan is the largest active displacement crisis in the world.² As

¹ See Council for Economic and Social Policy (CONPES), "Policy for Economic Reactivation and Sustainable and Inclusive Growth," Report No. 4023 (February 2021).

² The Venezuelan migration to Colombia is comprised of Colombian returnees, Venezuelan migrants (regular and irregular, in transit and pendular) and refugees and, as such, is considered a mixed migration. Irregular migrants are those who considered those migrants that have entered through non-authorized checkpoints or are beyond the limits of authorized human mobility,



of March 5, 2021, an estimated 5.5 million people have fled Venezuela – the majority of which left the country since 2015.³ According to the Office of the United Nations' High Commissioner for Refugees (UNHCR), most migrants from Venezuela are considered a refugee-like population and are in need of international protection.

5. Traditionally a net exporter of migrants, Colombia is now the world's largest recipient of Venezuelan migrants. As of March 15, 2021, there are an estimated 1.7 million Venezuelan migrants in Colombia (of which 49 percent are women)⁴ – approximately 32 percent of all Venezuelan migrants in Latin America. Colombia has the largest land border with Venezuela, and between 2015 and 2021, the migrant population in Colombia grew tenfold. In 2015 (prior to the Venezuelan exodus), there were 147,774 long-term immigrants of all nationalities in Colombia (0.3 percent of the total population).⁵ As of today, migrants from Venezuela in Colombia represent 4 percent of the total population.⁶ Further, the impacts of the migration crisis are geographically concentrated – approximately 25 municipalities in Colombia (of a total of 1,122) host 70 percent of all migrants from Venezuela.

6. The long-term economic benefits of the Venezuelan migration to Colombia have the potential to outweigh its short-term costs. The impact of Venezuelan migration on government spending is estimated to average between 0.4 and 0.5 percent of GDP on an annual basis.⁷ Notwithstanding the negative short-term costs, it is estimated that migration could increase the average annual rate of growth between 0.7 and 0.9 percentage points in the medium to long term, mostly through the impact on the labor force.⁸ Economic benefits result from an upswing of investment and consumption associated with migration. Venezuelan migrants are on average younger than the Colombian population, bringing demographic benefits. Additional productivity gains due to higher education levels among Venezuelan migrants⁹ – particularly as they are integrated into the formal job market – may eventually translate into

according to the Ministry of Foreign Affairs definition. Nonetheless, this situation shares key elements with refugee crises in other parts of the world, including (i) the accelerated pace at which it is evolving; (ii) the refugee-like conditions of migrants based on their level of vulnerability; and (iii) related to these conditions, the lack of valid documentation for migrants to enter other countries, including passports. Accordingly, in the assessment of UNHCR, *"an important proportion of the Venezuelans currently present in Colombia may be eligible for refugee status or equivalent protection under applicable international, regional, and national standards, including the 1951 Convention relating to the Status of Refugees, its 1967 Protocol, and the aforementioned Cartagena Declaration."* (UNHCR Assessment Letter, October 19, 2018)

³ Situation Response for Venezuelans (R4V), as of March 17, 2021.

⁴ *Migración Colombia*. 2021. *Weekly Report on Venezuelans in Colombia*. Statistic report No. 204. Date March 15, 2021, Source: PLATINUM.

⁵ *Migración Colombia*; own estimations using data from the 2005 National Housing and Population Census and consular records by the Ministry of Foreign Affairs. Presidency of Colombia. 2020. *Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela*. Bogotá, Colombia. *La Imprenta Editores*. ISBN 978-958-18-0474-0.

⁶ Presidency of Colombia. 2020. *Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela*. Bogotá, Colombia. *La Imprenta Editores*. ISBN 978-958-18-0474-0.

⁷ See World Bank 2018, Reina Mesa and Ramírez Tobón 2018, Tribín-Urbe and others 2020. These estimates from 2018 and 2020 were calculated prior to the approval of the TPS measure. The Bank is currently updating its assessment of the fiscal impacts of migration in light of the same.

⁸ World Bank Group. 2018. *Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy*. World Bank, Colombia. World Bank. <https://openknowledge.worldbank.org/handle/10986/30651> License: CC BY 3.0 IGO

⁹ According to data collected by the Observatory of the Venezuela Migration Project based on the Great Integrated Household Survey (GEIH), at the end of 2019 in Colombia 65.9 percent of Venezuelans living in the country finished high school and very few (4.9 percent) do not have degrees. Likewise, 12.4 percent of Venezuelan migrants had a technical or technological career, 14.9 percent had a professional degree, and 1.9 percent had a postgraduate degree. In other words, 29.2 percent of Venezuelan



macroeconomic gains.

7. **Colombia has become a global leader in its response to the unprecedented migration from Venezuela, setting new standards for their integration, including the introduction of some of the most progressive, innovative, and comprehensive solutions in the world.** Recognizing that properly managed migration is a development opportunity, Colombia has created of exemplary open policies for the social and economic integration of Venezuelan migrants since 2015. These include: (i) issuing work, transit and stay permits; (ii) extending access to health, education, social programs, and housing subsidies; (iii) investments that benefit both host and migrant communities; and (iv) protection of vulnerable populations, including family reunification, child protection, and protection against human trafficking. The Government Program for the social and economic inclusion of migrants is further detailed in Section 3 below.

8. **The approval of the Temporary Protection Status (TPS) in March 2021 – supported by this proposed operation –extended temporary protection status for Venezuelan migrants for a period of 10 years.** The approval of Colombia's TPS for Venezuelan migrants is a landmark measure – placing it amongst one of three countries globally to have such a broad policy framework for the inclusion of migrants (e.g., following the United States TPS for Central American and Haitian migrants in 1990, and the Turkish TPS for Syrian refugees in 2014). The Colombian TPS for Venezuelan migrants serves as an anchor policy enabling a wide series of regularization measures and expansion of access to services across sectors.

9. **Consistent with the experience of other countries hosting large numbers of forcibly displaced persons, Colombia will continue to require the support of the international community to address the negative externalities associated with the rapid influx of migrants.** The Venezuelan exodus has mobilized just a fraction of the international support received by countries affected by comparable or even smaller crises.¹⁰ According to a recent study published by the Brookings Institution, funding for Syrian migrants and refugees is 10 times greater than for Venezuelans in per capita terms. As of 2021, total funding per refugee or migrant was estimated at US\$3,150 per Syrian, US\$1,390 per South Sudanese, US\$343 per Rohingya¹¹ and US\$265 per Venezuelan.¹² Colombia's inclusive policy framework for migrants has been recognized as a best practice in the region and globally for the continued and deepening support from the international community.

10. **Furthermore, migrants from Venezuela face compounding vulnerabilities, including those related to climate change and poor access to basic services that are essential for supporting resilience to shocks associated with climate change impacts.** Colombia ranks 10th globally in terms of economic risk posed by three or more hazards and has the highest recurrence of extreme events in South America, which are expected to be exacerbated by climate change.¹³ Rapid population growth in poorly planned urban areas and informal settlements, coupled with the effects of climate change, are already

migrants in Colombia have some degree in higher education.

<https://migravenezuela.com/web/articulo/el-rastro-de-los-profesionales-venezolanos-en-linkedin/2505>

¹⁰ As of 2020, Syrian migrants and refugees totaled 6.6 million people, while South Sudan totalled 2.3 million migrants and refugees.

¹¹ *Migración Colombia* 2021.

¹² D. Bahar and M. Dooly, 2021. "Venezuelan refugees and their receiving communities need funding, not sympathy", Brookings Institution, February 26, 2021.

¹³ <https://climateknowledgeportal.worldbank.org/country/colombia/vulnerability>



exacerbating the impacts of flooding and landslides in the country. Overall, 84 percent of the population and 86 percent of the assets are exposed to two or more hazards,¹⁴ 28 percent of the population is exposed to high potential of flooding and 31 percent to high and medium landslide hazards.¹⁵

11. Venezuelans who migrate to Colombia face significant challenges due to their living conditions in areas that are already disproportionately impacted by climate-induced shocks such as floods, droughts, and landslides. Overall, 67.3 percent of Venezuelan migrants live in municipalities and territorial entities with medium, high, and very high hydrometeorological risks, exacerbating pre-existing vulnerabilities to climate change and disaster risks.¹⁶ As an extremely vulnerable population within host cities, migrant families tend to settle geographically in the most marginalized areas, which are even more vulnerable to climate shocks. Specifically, informal migrant settlements are in riverbeds and flood-prone areas (e.g. Arauca), zones prone to drought (e.g. La Guajira), and areas at risk of landslides (e.g. Bogota and Medellin mountains).

12. These groups are inherently more socioeconomically vulnerable to climate change impacts than other residents due to poverty rates, job informality, unsafe housing conditions, food insecurity, lack of savings, and limited access to basic services (e.g. critical infrastructure, electricity and water, healthcare, education, financial services, and social protection).¹⁷ These circumstances can increase vulnerability to other hazards, including COVID-19, and can worsen health and economic outcomes associated with the pandemic.¹⁸ For example, empirical findings note that air pollution, which is a contributor to climate change, can affect the COVID-19 pandemic in three ways: (i) increasing transmission; (ii) increasing susceptibility; and (iii) worsening the severity of the infection.¹⁹ As a result, in the event of a disaster, flood, drought, heatwave, or landslide, Venezuelan migrants are more physically exposed and vulnerable and less resilient than other population groups. Additionally, in border areas with high concentrations of migrant influx, local government resources are constrained and, in some cases, are insufficient to meet the basic service and disaster risk management (DRM) needs of host populations, thereby increasing levels of vulnerability among host communities to climate-related shocks and stresses.

13. The proposed operation aims to support the government's strategy for the social and economic

¹⁴ Ibid.

¹⁵ Banco Mundial. 2012. *Análisis de la gestión de riesgos de desastres en Colombia: un aporte para la construcción de políticas públicas*. Bogotá, Colombia.

¹⁶ Own calculations using data from *Migración Colombia*, administrative records from the SIRE, PEP, Ministry of Foreign Affairs registries (as of January 31, 2021), the 2018 National Population and Housing Census, the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM) 2017. *Tercera Comunicación Nacional de Cambio Climático*. IDEAM, PNUD, MADS, DNP, CANCELLERÍA, FMAM. Bogotá D.C., Colombia

¹⁷ Poverty and the lack of access to basic services—including critical infrastructure, financial services, health care, and social protection—are strong predictors of vulnerability to climate change.

Hallegatte, Stephane; Rentschler, Jun; Rozenberg, Julie. 2020. *Adaptation Principles: A Guide for Designing Strategies for Climate Change Adaptation and Resilience*. World Bank, Washington, DC. World Bank. <https://openknowledge.worldbank.org/handle/10986/34780>.

¹⁸ Climate change is expected to impact people's health, ecosystems, and water availability. Flooding can indirectly contribute to infectious disease outbreak and vector distribution. Also, viral infections can be exacerbated by climate impacts such as increased temperature, precipitation, and humidity, including the life cycle and infections transmitted by vectors. WHO (2015). *Climate and Health Country Profile – Peru*.

¹⁹ World Bank (2020). *Air Pollution: Locked Down by COVID-19 but Not Arrested*. https://www.worldbank.org/en/news/immersive-story/2020/07/01/air-pollution-locked-down-by-covid-19-but-not-arrested?CID=ENV_TT_Environment_EN_EXT



integration of Venezuelan migrants. Policies supported by this DPF will support a critical shift in policy effort from short-term urgent responses to a longer-term framework for integration. The proposed DPF includes a range of inclusive migration and service delivery policies and instruments, organized along two pillars:

- **Pillar 1 aims to establish the legal and institutional basis for the protection and long-term social and economic integration of migrants in host areas.** The pillar supports the approval of the TPS for Venezuelan migrants, which allows migrants to transition from an emergency and transitory migratory regime to a regular migratory regime. By granting a permit of stay and work for up to 10 years, the TPS supports the long-term integration of migrants, grants and expands access to basic services, and eases labor market pressures. To operationalize the TPS, the GoC created the Single Registry of Venezuelan Migrants (*Registro Único de Migrantes Venezolanos*, RUMV) to facilitate identification; socioeconomic characterization; and targeting of migrants eligible for education, health, resilient housing, emergency shelter and response in the event of a disaster, and social protection programs to improve the socioeconomic integration of migrants in the medium and long-term. Amongst other measures, Pillar 1 will further support the Integrated Migration Policy, which elevates to law the principles, guidelines and mechanisms developed to respond to the Venezuelan exodus and expand them to other migration flows. Pillar 1 will also support a National Law to expand the guarantee ceilings for territorial entities, including main host areas, to allow access to contingent lines of credit in the event of a climate or natural disaster, and the creation of coordination mechanisms to manage immigration at the local level.
- **Pillar 2 aims to support improved access to and quality of services for migrants.** This pillar will support the adoption of a series of policies, decrees, resolutions that grant Venezuelans access to critical services, including COVID-19 vaccines and housing subsidies.

14. **The DPF is aligned with the World Bank Group's strategies.** Forced displacement is one of the four pillars of the World Bank Group's Fragility Conflict and Violence (FCV) strategy. The operation is also aligned with the approach set out in the 'World Bank Group COVID-19 Crisis Response Approach Paper – Saving Lives, Scaling-Up Impact and Getting Back on Track'. Specifically, policies and programs supported under this DPF are consistent with Pillars 2 (Protecting Poor and Vulnerable People) and Pillar 4 (Strengthening Policies, Institutions and Investments for Rebuilding Better) of the Approach Paper. The operation is also aligned with the Green, Resilient and Inclusive Development (GRID) approach paper, particularly in its Pillar 1 (saving lives) by granting access to Venezuelan migrants to COVID-19 vaccines, and in its Pillar 2, by promoting the equity and inclusion of Venezuelans into the economic recovery of the country, through their regularization.

15. **The overall risk of the proposed operation is assessed as Substantial.** The *Macroeconomic risk* is rated as substantial given: (i) continuing uncertainty about the long-term economic effects of the COVID-19 crisis; (ii) the possibility of an uneven rate of vaccination in Colombia and around the world; and (iii) uncertainty about the medium-term fiscal framework. The materialization of exogenous shocks and uncertainty about fiscal normalization could affect Colombia's short and medium-term growth prospects and erode the fiscal capacity to support inclusive policies towards migrants. The *Political and governance risk* is rated as substantial. While the reforms supported by the operation are within the framework of the Government Strategy for the Attention to the Migration from Venezuela (CONPES Report No. 3950) – thereby conferring strong ownership across the government – there is a potential for a reversal of



inclusive public policies towards migrants against a backdrop of continuing, and arguably rising, xenophobia towards migrants.²⁰ The *Institutional capacity for implementation and sustainability risk* is considered substantial. The consolidation and full implementation of the policy program under the framework of the TPS regulation will require broad coordination across government and continuity of institutional effort over the ensuing 24 months. While the government has effective coordination and management mechanisms in place, further formalization of this institutional framework is required. Additionally, the sectoral ministries and agencies responsible for key aspects of the policy framework will be challenged to dedicate sufficient and consistent institutional bandwidth to migration policy given parallel population-wide policy priorities, (e.g., Ministry of Health and Social Protection's (MHSP) COVID-19 vaccination and the Department of Social Protection (DPS) aggressive rollout of social protection benefits to all people living in Colombia to mitigate the impacts of the COVID-19 pandemic. The *Stakeholder risk* is rated substantial given the potential for significant regional pockets of resistance to inclusive migration policies both in large cities and in border areas with a disproportionate incidence of migrants from Venezuela.

2. MACROECONOMIC POLICY FRAMEWORK

2.1 INTRODUCTION AND COUNTRY CONTEXT

16. **After two decades of sustained economic growth and poverty reduction, the COVID-19 crisis hit Colombia's economy and society hard, with effects that will take time to absorb.** Real GDP contracted by 6.8 percent in 2020 against a pre-crisis projection of 3.6 percent growth. As a result of weak revenue collection and higher spending to support the economy and households during the crisis, the overall deficit of general government increased to 7.2 percent of GDP, from a projected 2.6 percent of GDP before the pandemic, and the general government debt-to-GDP ratio reached 66.9 percent of GDP.²¹ Colombia's solid economic growth since the early 2000s had led to significant social improvements (the extreme poverty rate fell from 17.7 percent in 2002 to 7.2 percent in 2018, and the moderate poverty rate dropped from 49.7 percent to 27.0 percent over the same period). Despite the mitigating impact of the government's emergency response, the crisis has wiped out all gains in poverty reduction realized over the past decade, as poverty increased from 35.7 percent in 2019 to 42.5 percent in 2020.

2.2 RECENT ECONOMIC DEVELOPMENTS

17. **The COVID-19 pandemic caused a large shock to economic activity and led to a deterioration of the fiscal deficit and government debt.** Strict lockdown and mobility restrictions, the repercussions of the pandemic on global demand and oil prices, and the ensuing uncertainty about the depth and duration of the crisis disrupted domestic supply and demand, bringing manufacturing, construction, and

²⁰ While in May 2017 64,7 percent of Colombians expressed their agreement with the Government hosting Venezuelans in Colombia given the situation in that country, by August 2021, only 36,4 percent did so. In contrast, the percentage of Colombians expressing disagreement raised during the same period from 30,6 percent to 61,2 percent. Source: Invamer, August 2021.

²¹ In this document, general government debt is reported as gross, non-consolidated debt (see discussion in the macroeconomic section).



commerce almost to a halt in March and April 2020.²² With the gradual softening of these restrictions beginning in May 2020, economic activity started to pick up, led by manufacturing and commerce. Authorities promptly put in place monetary and fiscal measures to support firms and households. The Central Bank progressively cut the monetary policy rate from 4.25 percent in March 2020 to a historic low of 1.75 percent in September 2020, lowered reserve requirement ratios, purchased public and private securities, and activated U.S. dollar swap lines. To ensure adequate fiscal support, the suspension clause of the fiscal rule was activated for 2020 and 2021.²³ The government increased transfers to vulnerable groups through existing and new programs (*Ingreso Solidario* and a program to reimburse the poor for VAT), deferred tax collection for firms, and provided wage subsidy and liquidity support for businesses. These measures helped contain the contraction of GDP and of private consumption, but not that of gross fixed capital formation, which declined 20.6 percent as both private and public investment fell. Fiscal emergency measures and the fall in nominal GDP pushed the central government deficit and the general government debt-to-GDP ratio to record levels, 7.8 and 66.9 percent of GDP, respectively. Despite this comprehensive response, the efforts were not enough to prevent an increase in poverty.

18. Economic activity started to rebound in May 2020 and approached end-2019 levels by June 2021, despite a tightening of mobility restrictions in April 2021 and protests and strikes in May 2021. In 2021Q1, GDP grew 2.9 percent (q/q on a seasonally adjusted basis), and the level of activity reached 99.3 percent of its 2019Q4 level. In mid-April 2021, the government submitted to Congress an ambitious (in scope and amount) fiscal reform to increase revenues, expand social protection, and reduce the deficit.²⁴ After opposition in Congress and heavy protests around the country, the government withdrew the proposal and started working on a new draft, but protests and blockades continued well into May, depressing economic activity. Although protests continued with lower intensity in the first half of June, activity in most sectors picked up, going back to pre-pandemic levels or pre-pandemic trends (manufacturing). Exceptions to this recovery were mining and construction, which had been weak even before the COVID-19 crisis. Overall, GDP contracted by 2.3 percent in Q2, less than expected. High-frequency energy consumption and mobility indicators (good leading indicators of economic activity) suggest a solid rebound in July and August.

19. Inflation hovered around zero for most of 2020 but started to increase in April and May 2021 owing to an increase in international prices and depreciation of the Colombian peso. Despite the large monetary stimulus, year-end inflation in 2020 reached only 1.6 percent. Monthly CPI (Consumer Price Index) inflation picked up in 2021 and reached 0.4 percent m/m in April and May 2021, as road blockades and an increase in international prices raised production costs. Monetary policy remained accommodative, with a policy interest rate of 1.75 percent, as core inflation and inflation expectations

²² These three sectors contributed to about 36 percent of GDP in 2019. In 2020Q1 manufacturing contracted, 21.6 percent q/q, construction 24.6 percent, and commerce 33.6 percent.

²³ Colombia's fiscal rule mandated a reduction of 0.8 percentage points of GDP in the central government fiscal deficit between 2019 and 2022, which would have brought the structural deficit of the central government to 1 percent of GDP in 2022. In May, the flexibility built into the fiscal rule allowed resetting the 2020 deficit ceiling to 6.1 percent of GDP (up from 2.2 percent established in the 2019 medium-term fiscal framework). On June 15, 2020, the Consultative Committee on the Fiscal Rule endorsed the government's request to suspend the fiscal rule. The suspension clause of the fiscal rule does not set a ceiling to the fiscal deficit during the suspension period, nor does it set a duration for the suspension period.

²⁴ The package proposed revenue measures of about 2 percent of GDP (in particular, expanding the base of the Personal Income Taxes and reducing exemptions on the VAT), additional social spending of 0.6 percent of GDP (transforming the program *Ingreso Solidario* into a Guaranteed Minimum Income program, and expanding the coverage and amount of the program to compensate poor households for VAT), and a deficit reduction of 1.4 percent of GDP.



over the medium term remained anchored. Annual CPI inflation increased to 3.3 percent (above the mid-point of the inflation targeting band) in August, raising expectations that monetary policy may tighten further in 2021.

20. **After declining to 3.4 percent of GDP in 2020, the current account deficit has increased in 2021, as import growth resumed and export receipts, especially from tourism, remained weak.** In 2020, the trade deficit increased to 4.9 percent of GDP, with the increase entirely accounted for by lower nominal GDP in U.S. dollars (the drop in import values was greater than the loss in export values). At the same time, lower profitability of foreign firms operating in Colombia compressed external payments to foreign investors, and remittances remained robust (especially from the U.S. and Spain). As a result, the decline in the primary income deficit and the increase in the secondary income surplus compensated for the deterioration in the trade deficit, leading to a reduction of the current account deficit as percentage of GDP. In the first half of 2021, current account flows have been stabilizing to pre-crisis levels, except for tourism receipts. Buoyed by the recovery of domestic demand, imports of goods and services climbed to 94 percent of the 2019 semester average, and exports of goods, supported by the recovery of oil prices and external demand, reached 92 percent of their 2019 value. However, with tourism receipts at only 32 percent of the 2019 level, the trade deficit reached 3.1 percent of projected annual GDP. At the same time, the distribution of profits started to pick up.²⁵ Despite the flow of remittances hitting a record high, the current account deficit reached 2.6 percent of projected 2021 GDP. So far, FDI (in particular to the oil and mining sector) and net portfolio inflows (US\$4.6 and US\$4.7 billion, respectively) were more than enough to finance the half-yearly current account deficit (US\$7.9 billion) and allow reserve accumulation.

21. **The central government's deficit widened to 7.8 percent of GDP in 2020 and, as of August 2021, reached 5 percent of 2021 projected annual GDP.** The decline in nominal GDP in 2020 pushed the spending-to-GDP ratio up by 1.1 percentage points. Spending on goods and services related to the COVID-19 response and transfers to households and departmental and local governments, increased by 3.2 percent of GDP. The decline in private consumption, lower oil receipts, tax exemption for strategic health imports and selected food industries and services, and temporary delay in tax payments weighed on taxes. During January-August 2021, tax collection reached 62 percent of the annual target and was in line with 2019 levels in percentage of GDP, showing the resilience of taxpayer compliance and tax buoyancy.²⁶ The estimated expenditure-to-GDP ratio returned to 2019 levels, but expenditures remained above pre-pandemic levels in nominal terms, showing that emergency-related spending remains high.

22. **On September 7, 2021, Congress approved a Fiscal Reform Law (*Ley de Inversión Social*), that contains measures on revenues and spending, reduces the deficit and strengthens the fiscal rule.** In particular, the Law (i) increases the corporate income tax (CIT) rate to 35 percent and introduces a surcharge of 3 percent points to the CIT for the financial sector until 2025; (ii) maintains 50 percent of the payment of the turnover tax (ICA) as a CIT credit (reversing a previous commitment to allow full crediting of the ICA); (iii) strengthens measures to combat tax evasion; (iv) increases the annual revenue qualification threshold for the SIMPLE tax regime, from about US\$750,000 to about US\$1 million; (v) extends *Ingreso Solidario* until 2022 and expands the transfer to 4.1 million families beginning in April 2022; (vi) subsidizes, for one year, employers hiring women and young adults; (vii) broadens the wage subsidy program (*Programa de Apoyo al Empleo Formal*, PAEF) until December 2021, (v) sets free tuition

²⁵ In 2021 H1, distribution of profits was about 75 percent of the 2019 semester average.

²⁶ Owing to the tax payment calendar, revenue collection tends to be stronger in the first than in the second half of the year.



in tertiary education for low-income students (695,000 students) in public institutions, and (vi) requires the government to present annual austerity plans for the next ten years.²⁷ The Law also strengthens the fiscal rule by introducing an anchor for Central Government debt, setting net primary structural deficit targets for 2022–25 (moving from a deficit of 4.7 percent of GDP in 2022 to a surplus of 0.5 percent of GDP in 2025), and mandating the institution of a Fiscal Council. The reform is estimated to have a fiscal cost of about 1 percent of GDP in 2021 and 0.4 percent of GDP 2022, while contributing to reducing the deficit by 1 percent of GDP on a permanent basis starting in 2023.

23. Driven by the central government's deficit, the general government's gross debt increased to 66.9 percent of GDP at end-2020.²⁸ Central government debt increased to 64.8 percent of GDP at end-2020, while the additional debt of the general government increased to 2.1 percent of GDP. This is about 14.9 percent of GDP higher than in a counterfactual scenario without COVID-19, in which lower nominal GDP growth contributed about 6.6 percent of GDP, while the depreciation of the peso explains roughly another 1.1 percent of GDP. The central government successfully tapped financial markets in 2020, raising financing equivalent to 13.7 percent of GDP, which allowed pre-financing of the 2021 budget. In January and April 2021, the government issued bonds for US\$1.3 billion and US\$3 billion, respectively, with a 3.4 bid-to-cover ratio in April (Figure 3).

24. Markets reacted to the strikes and the withdrawal of the fiscal reform package, leading credit rating agencies to downgrade Colombia's sovereign debt. After a strong reaction when the pandemic broke out, market conditions stabilized, and by end-2020, most indicators had returned to close to their levels at the beginning of 2020. Since the beginning of 2021, the Colombian peso has been on a depreciating trend. It further depreciated by 4 percent soon after protests began in late April, appreciated temporarily to almost the same level as before the protests, but later returned to the January-March depreciating trend, apparently disengaging from the development of oil prices. Colombia's Emerging Markets Bonds Index (EMBIG) spreads (Figure 2), stable during January-March around 230 basis points, have been increasing since mid-March, possibly in anticipation of difficulties in passing a reform package, and reached around 270 basis points in the first week of September, one of the largest increases among LAC countries over this five-month period. S&P and Fitch downgraded Colombia to below investment grade owing to the expected deterioration in public finances, as well as reduced confidence in the Government's capacity to reduce the debt trajectory. Nonetheless, net foreign purchases of government bonds reached a high in over a decade in May 2021, and net purchases have continued through August 2021.

25. The financial sector remains resilient to the deterioration in lending portfolio quality. With the expiration of borrower relief measures in January 2021, the non-performing loans (NPL) ratio, including written-offs, steadily increased, reaching in May its highest value (11.1 percent) in the indicator's history. However, the NPL ratio including write-offs, declined slightly to 10.8 percent in June (latest available data) from May's high, and banks remained well capitalized during the first half of 2021. The CAR of the financial system reached 20.3 percent in June-2021 after dropping to 13.7 percent in April 2020 (the

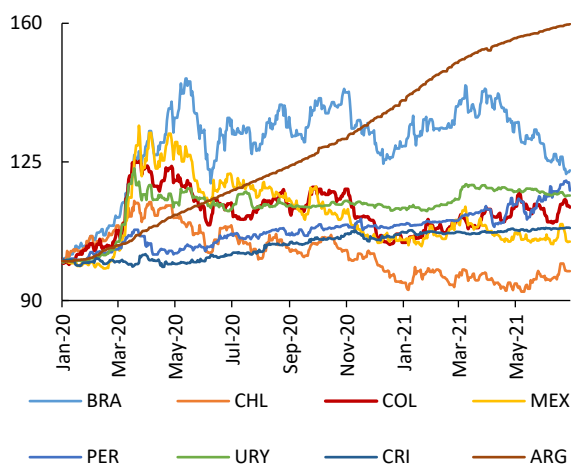
²⁷ The Law also eases the administration of seized goods, extends the list of VAT-free goods during the VAT holiday, allows co-financing up to 50 percent of the operational deficit of mass transportation systems, extends subnational government access to liquidity credits and increases their debt ceilings, exempts restaurants and bars classified in the SIMPLE from VAT and consumption taxes.

²⁸ The consolidated debt of the general government was 58.4 percent of GDP.



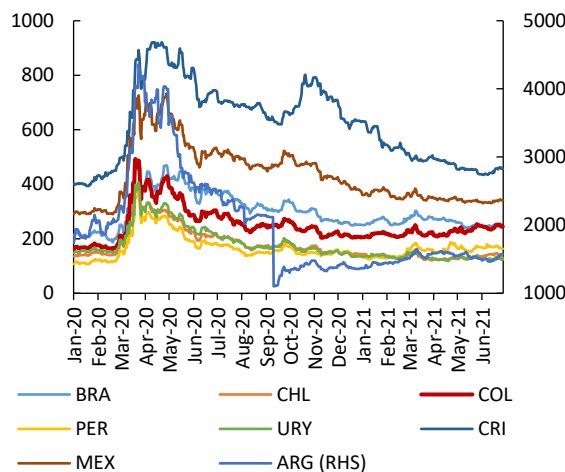
lowest since 2008), with no individual institution in single digits. Immediate financial stability risks are mitigated by the significant build-up of additional provisions, which reached 157 percent of NPLs (excluding write-offs) in June 2021, and by the implementation of additional capital buffers following Basel III standards (to be gradually introduced over a four-year period starting January 2021). Although the financial conditions of corporations have improved since the beginning of the pandemic, 21 percent of firms were experiencing difficulties servicing their debt on time as of July 2021.

**Figure 1. Exchange Rates
(Index 1/1/2020=100)**



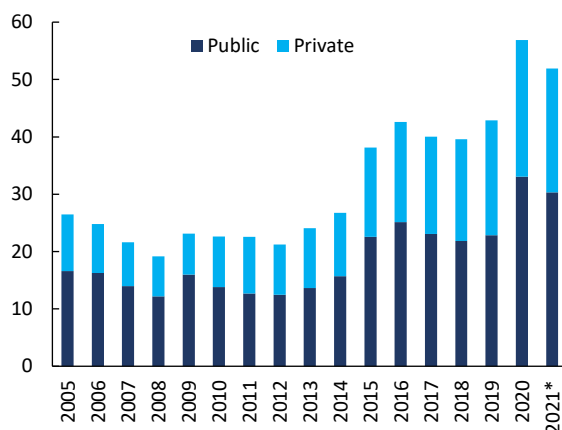
Source: Bloomberg

**Figure 2. EMBI Sovereign Spread
(basis points)**



Source: Bloomberg

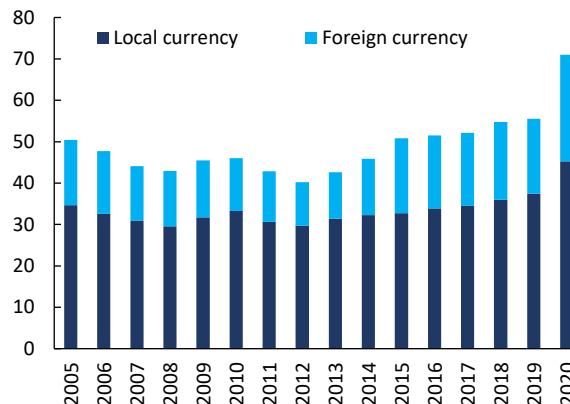
Figure 3. External Debt (percent of GDP)



*External debt as of June

Source: Central Bank and World Bank staff calculations.

**Figure 4. Gross Non-Financial Public Sector Debt
(percent of GDP)**



Source: Ministry of Finance and World Bank staff calculations.



Table 1. Colombia: Key Macroeconomic Indicators, 2017–2024

	2017	2018	2019	2020	Proj. 2021	Proj. 2022	Proj. 2023	Proj. 2024
Real sector	Annual percentage change, unless otherwise indicated							
Real GDP	1.4	2.6	3.3	-6.8	7.7	4.2	3.9	3.4
Contributions:								
Private Consumption	1.4	2.2	2.7	-3.9	6.8	3.0	2.8	2.4
Government Consumption	0.5	1.1	0.8	0.6	0.8	0.1	0.1	0.1
Investment	0.4	0.2	0.7	-4.5	2.7	1.0	0.7	0.7
Exports	0.4	0.1	0.5	-2.8	0.6	1.0	0.6	0.5
Imports	-0.2	-1.2	-1.6	4.0	-3.2	-0.9	-0.3	-0.3
Exports	1.0	5.8	7.3	-17.3	15.7	4.1	1.5	1.3
Imports	2.6	0.6	3.1	-18.3	4.3	8.0	4.8	3.6
Unemployment rate (nat. def.)	8.6	9.7	9.5					
GDP deflator	5.1	4.6	4.0	1.4	5.3	3.7	2.8	2.9
CPI (average)	4.3	3.2	3.5	2.5	3.2	3.1	3.0	3.0
Fiscal accounts (Central Government)	Percent of GDP, unless otherwise indicated							
Revenues*	15.7	15.1	16.2	15.2	15.9	15.6	16.0	16.2
Expenditures	19.3	18.3	18.7	23.0	24.7	22.7	20.9	20.1
Fiscal balance (CG)	-3.6	-3.1	-2.5	-7.8	-8.7	-7.2	-4.9	-3.9
Fiscal accounts (General Government)	Percent of GDP, unless otherwise indicated							
Revenues	24.8	26.5	27.5	25.9	26.7	28.0	28.1	28.2
Expenditures	27.3	29.1	30.1	33.1	35.0	35.1	32.7	31.8
Fiscal balance	-2.5	-2.6	-2.6	-7.2	-8.3	-7.1	-4.6	-3.6
Gross public debt**	48.5	51.3	52.2	66.9	70.9	72.7	72.2	70.7
Selected monetary accounts	Annual percentage change, unless otherwise indicated							
Base money	5.0	10.4	12.3	17.9	...	...	...	...
Credit to private sector	12.1	4.4	7.8	7.6	...	...	...	...
Policy interest rate (end-of-period)	4.8	4.25	4.25	1.75	...	...	...	...
External sector	Percent of GDP, unless otherwise indicated							
Current account balance	-3.2	-4.3	-4.6	-3.7	-4.9	-4.6	-4.6	-4.4
Exports GNFS	15.8	16.1	15.9	14.0	15.5	15.9	16.0	16.2
Imports GNFS	18.7	19.3	20.3	18.9	21.0	20.6	20.4	20.4
Foreign direct investment (net)	-3.2	-1.8	-3.4	-2.2	-2.3	-2.7	-3.1	-3.1
Gross reserves (US\$ billion, eop)	47.6	48.4	53.2	59.0	59.8	61.2	62.5	63.9
In months of next year's imports	9.1	9.0	12.4	12.3	10.6	10.5	10.4	10.3
As % of short-term external debt	290	239	237	265	...	...	...	...
External debt	40.0	39.7	42.9	55.4	55.3	55.2	55.2	55.1
Terms of trade (% change)	9.3	5.8	0.1	...	...	...	...	...
Exchange rate (COP/US\$, average)	2,951	2,956	3,281	3,693	3,749	3,756	3,850	3,946
Memo items								
Nominal GDP (US\$ million, current)	311,685	333,755	322,979	271,828	301,641	327,251	341,265	353,845
Nominal GDP (COP billion, current)	920,471	987,791	1,061,119	1,002,922	1,137,506	1,228,628	1,311,919	1,396,123
Oil production (hundred thousand barrels/day)	854	865	886	781	770	821	850	876
Oil price (Brent spot price, US\$/barrel)	53	68	61	41	67	66	61	61

* In 2019 includes extraordinary Ecopetrol dividend. Since 2019 includes profits of Banco de la Republica.

**Gross public debt is unconsolidated debt and it includes Ecopetrol.

Source: Colombian authorities and WB staff estimates and projections.



Table 2. Balance of Payments, 2017-2024

	2017	2018	2019	2020	Proj. 2021	Proj. 2022	Proj. 2023	Proj. 2024
U.S. dollars millions								
Current account balance	-10,110	-14,188	-14,991	-9,927	-14,688	-15,198	-15,745	-15,516
Trade balance	-8,947	-10,703	-14,336	-13,371	-16,592	-15,457	-15,135	-14,722
Exports of goods and services	49,313	53,724	51,324	38,056	46,881	52,085	54,638	57,448
of which, oil	13,308	16,843	15,962	8,755	14,539	15,413	15,967	16,852
of which, tourism	4,921	5,621	5,682	1,595	1,797	4,452	4,667	4,908
Imports of goods and services	58,260	64,427	65,660	51,427	63,473	67,542	69,773	72,170
Primary income balance	-8,046	-11,442	-9,710	-5,343	-7,961	-9,588	-10,387	-10,815
of which: distribution of dividends to foreign direct invest	6,929	10,163	8,917	3,022	4,915	6,556	7,540	7,964
of which: external interest payments	9,211	11,709	11,573	7,862	9,770	11,356	13,022	13,713
Secondary income balance	6,883	7,957	9,055	8,788	9,865	9,847	9,777	10,021
of which: workers' remittances	5,784	6,636	7,087	6,909	7,350	7,767	7,939	8,109
Financial account (net lending/borrowing)	-9,625	-12,954	-13,299	-8,319	-14,691	-15,202	-15,747	-15,524
Direct investment, net	-10,011	-6,172	-10,836	-5,921	-6,978	-9,080	-10,603	-11,097
of which: foreign direct investment	13,701	11,299	13,990	7,641	9,773	12,588	14,223	14,891
Portfolio investment, net	-1,800	862	24	-1,792	-3,965	-3,827	-6,414	-7,063
Financial derivatives and employees stock options	365	21	84	-513	-84	-37	-110	-129
Other investment	1,276	-8,852	-5,904	-4,421	-4,470	-3,574	48	1,371
Reserve assets	545	1,187	3,333	4,328	806	1,316	1,331	1,394
Net errors and omissions	-485	-1,234	-1,692	-1,608	3	4	2	7
Percent of GDP								
Current account balance	-3.2	-4.3	-4.6	-3.7	-4.9	-4.6	-4.6	-4.4
Trade balance	-2.9	-3.2	-4.4	-4.9	-5.5	-4.7	-4.4	-4.2
Exports of goods and services	15.8	16.1	15.9	14.0	15.5	15.9	16.0	16.2
of which, oil	4.3	5.0	4.9	3.2	4.8	4.7	4.7	4.8
of which, tourism	1.6	1.7	1.8	0.6	0.6	1.4	1.4	1.4
Imports of goods and services	18.7	19.3	20.3	18.9	21.0	20.6	20.4	20.4
Primary income balance	-2.6	-3.4	-3.0	-2.0	-2.6	-2.9	-3.0	-3.1
of which: distribution of dividends to foreign direct invest	2.2	3.0	2.8	1.1	1.6	2.0	2.2	2.3
of which: external interest payments	3.0	3.5	3.6	2.9	3.2	3.5	3.8	3.9
Secondary income balance	2.2	2.4	2.8	3.2	3.3	3.0	2.9	2.8
of which: workers' remittances	1.9	2.0	2.2	2.5	2.4	2.4	2.3	2.3
Financial account (net lending/borrowing)	-3.1	-3.9	-4.1	-3.1	-4.9	-4.6	-4.6	-4.4
Direct investment, net	-3.2	-1.8	-3.4	-2.2	-2.3	-2.8	-3.1	-3.1
of which: foreign direct investment	4.4	3.4	4.3	2.8	3.2	3.8	4.2	4.2
Portfolio investment, net	-0.6	0.3	0.0	-0.7	-1.3	-1.2	-1.9	-2.0
Financial derivatives and employees stock options	0.1	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Other investment	0.4	-2.7	-1.8	-1.6	-1.5	-1.1	0.0	0.4
Reserve assets	0.2	0.4	1.0	1.6	0.3	0.4	0.4	0.4
Net errors and omissions	-0.2	-0.4	-0.5	-0.6	0.0	0.0	0.0	0.0



Table 3. Balance of Payments Financing Requirements and Sources, 2017-2024 (US\$ million)

					Proj.	Proj.	Proj.	Proj.
	2017	2018	2019	2020	2021	2022	2023	2024
Financing requirements	41,722	47,676	52,013	49,876	52,565	50,936	52,856	53,611
Current account deficit	10,110	14,188	14,991	9,927	14,688	15,198	15,745	15,516
External debt amortization	31,067	32,301	33,689	35,621	37,071	34,422	35,780	36,700
Medium and long term	16,215	15,711	13,230	14,400	13,710	11,133	12,575	13,250
o/w Multilateral and Bilateral institutions				825	974	966	966	966
Short term	14,852	16,590	20,458	22,932	22,054	20,289	21,303	22,369
Gross reserve accumulation	545	1,187	3,333	4,328	806	1,316	1,331	1,394
Financing sources	41,722	47,676	52,013	49,876	52,565	50,936	52,856	53,611
FDI (net)	10,011	6,172	10,836	5,921	6,978	9,080	10,603	11,097
o/w inward (net)	13,701	11,299	13,990	7,641	9,773	12,588	14,223	14,891
External debt disbursements	33,638	40,551	39,714	51,055	39,131	33,550	36,201	38,062
Medium and long term	17,047	20,093	16,782	29,001	18,842	12,247	13,833	14,575
o/w Multilateral and Bilateral institutions	1,228	3,145	1,781	10,300	4,942	4,522	4,522	4,522
Short term	16,590	20,458	22,932	22,054	20,289	21,303	22,369	23,487
Other capital flows (net)	-1,927	952	1,462	-7,100	6,456	8,306	6,052	4,452
Memo items								
Remittances (net)	5,515	6,345	6,761	6,660	7,084	7,487	7,656	7,821

Source: Central Bank of Colombia and WB staff estimates and projections.

Box 1. Macroeconomic Effects of the Migration from Venezuela

- Empirical and theoretical studies point to four channels through which migration from Venezuela to Colombia will affect macro-fiscal aggregates: (i) the impact through the labor market (supply side); (ii) consumption and investment (demand side); (iii) government spending primarily on education, health, and housing (fiscal cost); and (iv) government revenues (fiscal gain).
- Before COVID-19, there was no evidence of a negative effect of migration on aggregate unemployment nor the displacement of non-migrant labor. Research indicates that, as of 2018, migrants from Venezuela were, on average, young (presenting a greater share of people aged 20–29 than the Colombia population, and a lower share of elderly). On average, migrants tended to have 8 years of formal education, slightly above the average among Colombia's population.²⁹ At 67.1 percent, labor force participation was slightly higher than among Colombians; however, unemployment was 5 percentage points higher, labor informality greater, and wages lower. Overall, they find no evidence of a negative impact on unemployment. Moreover, CONPES Report No. 3950 suggests that migration can incrementally increase productivity and entrepreneurship.
- The impact on government spending is estimated to be between 0.4 and 0.5 percent of GDP, on an annual basis. Venezuelan migration is estimated to create spending needs primarily in the areas of health, education, and housing. Existing studies point to a peak annual fiscal cost of absorbing Venezuelan migration of 0.5 percent of GDP. In 2018, the World Bank estimated a fiscal cost of 0.3 percent of GDP to absorb, at the time, 1.2 million Venezuelan migrants.³⁰ Updating those estimates

²⁹ Tribin-Urbe et. al (2020). *Migración desde Venezuela en Colombia: caracterización del fenómeno y análisis de los efectos macroeconómicos*. Ensayos sobre Política Económica No. 27 (10-2020). Banco de la República. Bogotá.

³⁰ World Bank (2018) *Migración desde Colombia a Venezuela. Impactos y estrategias de respuesta en el corto y mediano plazo*. <https://openknowledge.worldbank.org/bitstream/handle/10986/30651/131472SP.pdf>



for the greater number of migrants, inflation, and differences in the types of costs (for example, that all migrants would be covered by public health insurance and that migrants are now eligible to receive benefits under social programs), we estimate that the annual operating cost of absorbing the migrant population would be 0.4 percent of GDP (Table 4). This does not include the long-term cost of building the new schools needed to keep the student-per-classroom ratio at current urban and rural averages, which is estimated at 0.7 percent of 2021 GDP (or 0.1 percent of GDP annually, assuming that new schools would be built within the next 7 years).

- The impact of Venezuelan migration on GDP growth was estimated to be positive, between 0.7 and 0.9 percentage points, depending on the number of migrants who are incorporated in the labor force and realize their work potential. In 2018, the World Bank simulated the impact of migration under various scenarios of migrant flows. The report estimated that with a 1.5 million total flow of migrants at working age (close to current estimates of Venezuelans living in Colombia), the impact would be 0.7 percentage points of higher growth, and up to 0.9 if 2 million working-age Venezuelans incorporate in the total labor force. However, an IMF study in 2020 finds a misallocation of migrant labor towards occupations that require lower skills, despite the higher average education levels of migrants, which suggests that, as of 2020, Colombia was not drawing on the full economic potential of its migrant population from Venezuela.³¹
- The effects on consumption and GDP are estimated to increase government revenues, reducing the net fiscal impact to almost zero over the medium term. The Consultative Committee on the Fiscal Rule (-CCRF) projected that under a scenario where new migratory flows will reach zero three years after the peak (in their study, 2021 and 2018 respectively), the net fiscal impact will have reached zero five years after the peak (in their study, in 2023), owing to a positive impact on revenues and reduction of spending for first response.

Sources: CONPES Report No. 3950; Tribín-Urbe and others, 2020; IMF, 2020, World Economic Outlook, Chapter 4; Reina Mesa and Ramírez Tobón 2018, World Bank, 2018.

³¹ International Monetary Fund, 2020. World Economic Outlook, Chapter 4.
<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>



Table 4. Colombia: Key Fiscal Indicators for the Central Government, 2017-2024 (percent of GDP)

	2017	2018	2019	2020	Proj. 2021	Proj. 2022	Proj. 2023	Proj. 2024
Total revenues *	15.7	15.1	16.2	15.2	15.9	15.6	16.0	16.2
Tax revenues	13.8	13.7	14.0	13.0	13.5	14.0	14.9	15.0
Net income tax and profits	5.7	6.5	6.4	6.1	5.8	6.04	6.85	7.05
Value-added tax	5.5	5.7	5.8	5.4	5.8	5.9	5.9	5.9
International trade	0.4	0.4	0.4	0.3	0.4	0.5	0.5	0.5
Financial transactions tax	0.7	0.7	0.8	0.7	0.8	0.8	0.9	0.9
Stamp and other taxes	1.4	0.5	0.7	0.5	0.7	0.74	0.80	0.75
Non-tax revenues	0.6	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Capital revenues *	1.1	1.2	1.9	1.9	2.1	1.3	0.9	0.8
o/w Ecopetrol dividends	0.1	0.3	1.1	0.7	0.1	0.4	0.5	0.5
Other	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Total expenditures	19.3	18.2	18.7	23.0	24.7	22.7	20.9	20.1
Current expenditures	16.0	15.6	15.6	19.4	20.5	19.0	17.9	17.5
Wages and salaries	2.2	2.3	2.1	2.4	2.3	2.1	2.1	2.1
Goods and services	0.6	0.7	0.7	1.2	1.4	0.9	0.8	0.7
Interest	2.9	2.8	2.9	2.8	3.4	3.5	3.4	3.4
Current transfers	10.2	10.2	10.1	13.6	13.3	12.5	11.6	11.3
Other	0.1	-0.3	-0.1	-0.5	0.0	0.0	0.0	0.0
Capital expenditures	3.3	2.6	3.0	3.5	4.2	3.7	3.0	2.6
Fixed capital formation	2.1	1.5	1.8	2.2	2.7	2.4	2.1	1.7
Capital transfers	1.2	1.1	1.2	1.3	1.4	1.2	0.9	0.9
Primary balance	-1.1	-0.3	0.4	-4.9	-5.3	-3.6	-1.4	-0.5
Overall fiscal balance *	-3.7	-3.1	-2.5	-7.8	-8.7	-7.2	-4.9	-3.9
Financing needs and end-year deposits	8.3	8.0	8.4	13.7	12.2	10.8	8.1	7.5
Overall fiscal balance	3.7	3.1	2.5	7.8	8.7	7.2	4.9	3.9
Amortizations	2.5	1.0	2.8	1.1	1.7	2.3	2.4	2.6
Arrears, judicial claims and other	0.2	0.6	1.2	1.5	0.8	0.5	0.0	0.0
Stock of deposits at the end of the year	2.0	3.4	1.9	3.3	1.0	0.8	0.8	1.0
Financing sources and previous year deposits	8.3	8.0	8.4	13.7	12.2	10.8	8.1	7.5
Domestic	5.1	5.0	4.1	3.4	4.9	6.5	5.0	4.5
Use of saving to capitalize FOME				1.3	1.1			
"Titulos de Solidaridad"				1.0				
External	1.7	1.2	1.2	5.9	3.3	3.4	2.3	2.3
Stock of deposits at the end of the previous year	1.6	1.8	3.2	2.1	3.0	0.9	0.8	0.7
Memo items								
Nominal GDP (COP billion, current)	920,471	985,931	1,061,730	1,002,922	1,137,506	1,228,628	1,311,919	1,396,123

*In 2021, this includes privatization receipts from the sale of participation in ISA.

Source: Ministry of Finance and WB staff estimates and projections.

Source: World Bank (2018) and Staff calculations using World Bank (2018), ASPIRE, and Ministry of Finance estimates.



2.3 MACROECONOMIC OUTLOOK AND DEBT SUSTAINABILITY

26. **GDP is projected to grow by 7.7 percent in 2021 and reach its end-2019 level by the end of the year.** The acceleration of the vaccination plan since June (as of end-August, 68 percent of the population had received at least a dose and 32 percent was fully vaccinated) has put Colombia on track for reaching the government's target of vaccinating 70 percent of the entire population by end-2021. In September, new cases fell to their lowest level since the beginning of the pandemic, and COVID-related restrictions have been lifted for virtually all sectors of the economy. Economic activity is projected to remain at 2019 levels in manufacturing and commerce for the rest of the year, and, on aggregate, to reach its end-2019 level before the end of 2021, despite the slow recovery of mining and construction. The increase in domestic demand is projected to amount to 7.8 percent of 2020 GDP. As monetary policy is expected to remain accommodative until at least end-Q3 and the fiscal stance expansive for the whole year,³² private consumption is projected to grow by 9.6 percent and gross capital formation by 14.2 percent (Table 1). At these growth rates, consumption would climb 4.4 percent above its 2019 level, but gross capital formation would remain 9.2 percent below, with consequences for medium-term growth. With stable oil prices, oil export volumes are projected to increase only 2.1 percent, offsetting the growth of manufacturing exports (6.1 percent, in line with trading partners' growth). As a result, total exports of goods and services are projected to increase by only 4.3 percent, while import volumes are projected to grow by 15.7 percent, buoyed by strong domestic demand.

27. **Over the medium term, growth is projected to slow gradually to 3.4 percent in 2025, as GDP moves closer to (but remains below) its pre-COVID-19 trend.** A recovery of external demand, private consumption growth, the 4G road infrastructure projects,³³ and the Bogota metro project,³⁴ are all expected to support economic recovery over the medium term. However, our baseline projection assumes that COVID-19 has a long-lasting effect on the *level* of activity and a mild effect on *long-run growth* (3.3 percent instead of 3.5 pre-pandemic), as the losses in educational achievements suffered in 2020 and 2021 (especially in tertiary education) will put a dent on human capital, and gross fixed capital formation returns to pre-COVID levels only in 2023.

28. **The current account deficit is projected to increase to 4.9 percent of GDP in 2021 and then stabilize at 4.4 percent of GDP by 2024.** The trade deficit is projected to increase to 5.5 percent of GDP in 2021 as exports and imports of goods return to 2019 values, while receipts from tourism increase to only 31 percent of the 2019 level (Table 3). Over the medium term, the trade deficit is projected to decline to 4.2 percent of GDP, as growth of external demand and tourism picks up and growth of domestic demand slows. Following the recovery of firms' profitability, redistribution of dividends to foreign direct investors is projected to grow in 2021 and 2022 (compensating for the low distribution in 2020) and stabilize in 2023 below pre-COVID-19 levels. Supported by a vibrant economic recovery in the US and Spain, remittances are projected to increase slightly in 2021, and then decline to 2.8 percent of GDP by 2024. As a result, the current account deficit is expected to narrow to 4.7 percent of GDP in 2022

³² The government is counting on the investment plan contained in the "*Nuevo Compromiso por el Futuro de Colombia*" for the reactivation of the economy. The plan foresees investments worth COP140 trillion in 10 years, with the major concentration in 2021 and 2022. The plan aims to increase employment through support to MSMEs, the acceleration of large infrastructure projects, and incentives for creative and cultural industries.

³³ Supported by the World Bank Capital Markets Strengthening Facility – ASA (P167816).

³⁴ World Bank Project P165300.



and to 4.4 percent of GDP in 2024. Net FDI inflows are projected to finance most of the current account deficit over the medium term. With rollover rates slightly above 100 percent, external borrowing is projected to provide the bulk of external financing (Tables 2 and 3).

29. **With year-end inflation projected to rise slightly above the upper bound of the inflation targeting band, the output gap projected to narrow and spare capacity in the economy utilized, the space to maintain an accommodative monetary policy will likely shrink.** Assuming that producers have almost fully recovered the higher cost of complying with biosafety protocols and that the exchange rate stabilizes, inflation is projected to moderate to 0.15 percent m/m for the rest of 2021, which would put year-end inflation at 4.3 percent and annual average inflation at 3.3 percent. Relative to the trend prior to the COVID-19 crisis, the output gap is projected to remain as large as 6.5 percent in 2021 and about 4.2 percent in 2022. Interest rates are projected to start increasing moderately in Q4 of 2021, with the amount and timing dependent on how and when the world's major central banks start normalizing rates.

30. **The central government deficit is projected to increase to 8.7 percent of GDP in 2021 and decline to 7.2 percent of GDP in 2022.**³⁵ The economic recovery is projected to ignite a mild cyclical pickup of revenues (in percent of GDP) in 2021, which (because corporate and personal income taxes are based on the previous year's income) would strengthen in 2022 (Table 4). The authorities are also expected to raise about 1.1 percent of GDP in 2021 from the sale of the government's shares in public companies (which the government records as revenues).³⁶ Spending on goods and services is projected to increase slightly in 2021 (partly due to spending on the vaccine and because health spending appropriated but not executed in 2020 is projected to be spent in 2021,). Similarly, the extension of the transfer program *Ingreso Solidario* to 2021 is projected to slow the decline in the transfers-to-GDP ratio (the nominal increase in GDP would cause a decline of 1.3 percentage points, relative to 2020). Investment spending (primarily on infrastructure) is expected to increase by about 0.5 percent of GDP as part of the reactivation plan. In sum, the fiscal stance is projected to be expansionary in 2021. Over the medium term, deficit reduction is expected to be driven by strengthening tax collection and tight control of spending.

31. **2021 government financing needs amount to 11.2 percent of GDP and are fully covered. In addition to the deficit, these include amortization (1.7 percent of GDP) and payment for judicial rulings (0.8 percent of GDP).** Sources of financing include domestic private sector borrowing (4.9 percent of GDP, 2.7 percentage points of which has been raised by end-June; utilization of savings accumulated in the Emergency Mitigation Fund (FOME, for 1.1 percent of GDP); private sector external borrowing (1.6 percent of GDP, of which 1.5 percent of GDP—US\$4.6 billion—was raised between January and April); borrowing from multilateral organizations (1.7 percent of GDP—US\$4.9 billion, of which the World Bank is expected to provide US\$2.3 billion, the IADB US\$1.9 billion, the Development Bank of Latin America (CAF) US\$500 million, and others US\$180 million); and drawdown of deposits (2.0 percent of GDP).

³⁵ According to the 2021 Medium-Term Fiscal Framework and consistent with the fiscal reform Law approved in September, the government expects the central government deficit to increase to 8.6 percent of GDP in 2021 and decrease to 7 percent of GDP in 2022.

³⁶ The government has a more optimistic projection in the 2021 Medium-Term Fiscal Framework, and it expects to raise 1.3 percent of GDP from privatization. The largest source of these resources arises from the sale of the government's participation in ISA (an electric company) to Ecopetrol.



32. **Debt sustainability analysis indicates that, in the baseline scenario, general government debt remains sustainable, although at a high level.** The general government's debt to GDP ratio is projected to increase to 70.9 percent in 2021, peak in 2023, start declining in 2024 and fall to 66.6 percent of GDP by 2026 on the back of a favorable growth-interest rate differential (Figure 5). Standard sensitivity analyses on the baseline scenario show that slower than expected economic growth by one standard deviation in the short run, or a one standard deviation shock to the exchange or the interest rate would increase public debt levels to a peak of 76.8 percent of GDP in 2023. A combined macro-financial shock would cause public debt to peak at 87.5 percent of GDP in 2023 and decline from 2024 onwards.³⁷

33. **External debt sustainability analysis suggests that after increasing in 2020, Colombia's external debt is projected to fall gradually in the medium term.** Colombia's external debt rose to 56.9 percent of GDP in 2020 due to adverse exchange rate effects and fiscal pressures. As these shocks fade, external debt is projected to be 55 percent of GDP in 2021 and to start declining in 2022, reaching 52 percent of GDP by 2025 (Figure 6). Debt service is projected to increase in the medium term but remains manageable. Colombia has an excellent track record of meeting its financial obligations, and its refinancing risks are mitigated by a diversified foreign investor base. Stress tests indicate that under an exchange rate shock³⁸ or a combined macro-financial shock,³⁹ the trajectory of external debt would shift upward but still decline after reaching its peak in 2022.

34. **The risk profile is tilted to the upside in 2021 and to the downside over the medium term.** A further increase in oil prices and confidence could push 2021 GDP above baseline projections. Over the medium term, there are risks that if new SARS-Cov-19 variants emerge, prolonging health alerts, that it takes longer for the labor market and households to recover the losses from the pandemic (including in human capital), and that the yield from the Social Investment Law (e.g., from measures to strengthen tax collection) is less than expected. If any of these risks materialize, or if financing conditions tighten abroad (including due to renewed geopolitical tensions), or if the government is not able to reduce the deficit and debt, confidence could weaken, and the government could be forced into an aggressive contraction of spending to safeguard fiscal sustainability, thereby reducing growth. Finally, if export receipts, especially from tourism, do not pick up as projected, a correction of the current account deficit might happen through a depreciation of the peso, which would increase the burden of external public sector debt and require a further fiscal tightening. The strengthening of the fiscal rule and the creation of a Fiscal Council provides a solid anchor for fiscal policy and therefore constitutes a mitigating factor to this risk.

35. **The macroeconomic policy framework is adequate for the purpose of the operation.** Colombia has solid fundamentals and macroeconomic policy institutions. Before the crisis, Colombia's strong macroeconomic policy framework (a fully-fledged inflation targeting regime, a flexible exchange rate, and a rule-based fiscal policy) ensured gradual external and fiscal adjustments from the 2014–16 oil price shock. This allowed the building of the fiscal buffers that have helped respond to the COVID-19 crisis and partially mitigate the exogenous downside risks described above. On the external front, Colombia has ample reserves, and the precautionary credit line provided by the IMF, as well as the recent increase of

³⁷ Standard shocks applied to interest rate, exchange rate and GDP growth rate simultaneously.

³⁸ One-time real depreciation of 30 percent occurs in 2022.

³⁹ Permanent 1/4 standard deviation applied to real interest rate, growth rate, and current account balance.



SDR holdings, provide ample liquidity buffers to respond to external shocks. Finally, institutions and the Government's commitment to prudence remain strong. Specifically, the changes to the fiscal rule and the creation of a Fiscal Council approved in September greatly strengthen the fiscal framework.

Figure 5. Debt Sustainability Analysis
(general government debt, percent of GDP)

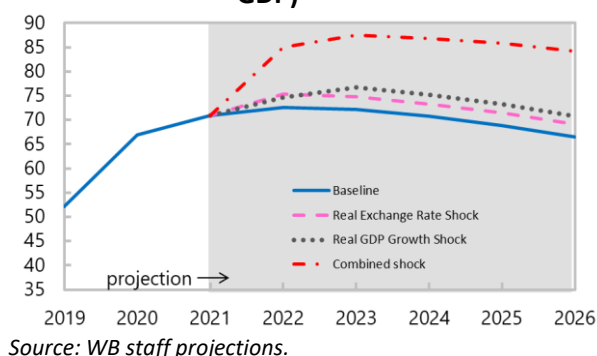
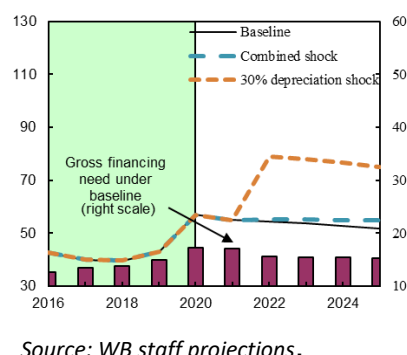


Figure 6. External Debt Sustainability Analysis
(external debt, percent of GDP)



2.4 IMF RELATIONS

36. **The IMF Board approved a US\$17.2 billion Flexible Credit Line (FCL) for Colombia, concluded the 2021 Article IV consultation on March 19, 2021, and the review of Colombia's performance under the FCL on April 28, 2021.** Colombia has had access to FCL arrangements since 2009, and it last renewed its FCL on May 1, 2020 for about US\$10.8 billion, which were augmented to US\$17.2 billion in September 2020. The authorities made a drawing of US\$5.1 billion in December 2020 but intend to treat the rest of the credit line as a precautionary. In the October 2021 World Economic Outlook, IMF also projects that the GDP will grow by 7.6 percent in 2021, and another 3.8 percent in 2022, reaching pre-pandemic levels at end-2021. They also project that the current account deficit will increase to 4.4 percent of GDP in 2021 and stabilize at 3.9 percent of GDP thereafter. Finally, IMF projects that the general government's net borrowing will reach 8.4 percent of GDP in 2021 and decline to 6.4 in 2022, on the back of strong revenues (29 percent of GDP). At the conclusion of the Review under the FCL, the IMF's Board recognized that Colombia's very strong policy frameworks, anchored by a flexible exchange rate, credible inflation targeting-regime, effective financial sector supervision and regulation, and medium-term fiscal framework, continue to serve the country well and have allowed the authorities to deliver a coordinated and timely response to the COVID-19 pandemic. The Board also recognized that Colombia remains exposed to elevated external risks given the uncertainty about the path of the pandemic, and that the authorities continue to show their firm commitment to maintaining sound and prudent policies going forward. At the conclusion of the Article IV consultation, the IMF Board emphasized the need to sustain policy support in the near term both to protect the most vulnerable segments of the population, and to support economic activity, while safeguarding financial stability and fiscal sustainability. It stressed that, as the pandemic subsides, emergency measures should be gradually phased out. Finally, it agreed that return to the fiscal rule would help anchor the fiscal framework and provide confidence over the medium term. In this respect, it indicated that striking the right balance between flexibility and credibility will be important, and it encouraged considering measures to strengthen the fiscal framework and the fiscal



rule. Finally, the IMF Board encouraged efforts to support employment, reduce informality, and raising productivity, and welcomed recent measures to formalize Venezuelan migrants. The IMF and World Bank maintain close collaboration.

3. GOVERNMENT PROGRAM

37. **The Government of Colombia's response to the large-scale exodus from Venezuela, which began in 2015, can be characterized in three broad phases.**

38. In the **first phase**, the government **approved numerous policies, programs, and legislation to respond to the humanitarian crisis and short-term measures to enable social and economic integration.** Key measures included:

- In 2015, the GoC approved exceptional procedures to facilitate birth records for persons born in Venezuela to Colombian parents (528,332 people had been registered in the National Civil Registry until March 2020)
- In 2016, the GoC launched the Border Transit Migration Card (predecessor to the Border Mobility Card) and opened four additional migration points and crossing stations (totaling seven open crossing stations between Colombia and Venezuela).⁴⁰
- Also, in 2016, GoC became part of the Interagency Group on Mixed Migration Flows (GIFMM), an initiative jointly led by the International Organization for Migration (IOM) and UNHCR – a critical platform to support coordinated action, particularly with respect to humanitarian relief needs.
- In August 2017, the GoC created the Special Permit of Permanence (PEP) as a regularization mechanism (724,792 migrants from Venezuela have since been regularized during seven phases, as of March 15, 2021).⁴¹

39. The **second phase** of the GoC response started in 2018 and was **anchored and guided by the National Strategy for the Response to Migration from Venezuela** (CONPES Report No. 3950) which sets out a series of critical actions along two pillars. **First**, the CONPES confirms the principle of access to basic social services that guarantee the well-being of migrants and refugees while outlining institutional responsibilities and targets for the same. **Second**, the CONPES confirms GoC commitment to improving institutional coordination, mobilization of the institutions responsible for critical areas of service provision, as well as the creating of mechanisms for coordination of the country's response to migration from Venezuela. Specifically, the CONPES sets the framework for the development and implementation of sectoral strategies to expand access to health care, education, early childhood, childhood and adolescence, labor, housing, and security services and benefits for migrants from Venezuela and host communities. Key measures include:

- In February 2018, the GoC created the Presidential Border Management Office (*Gerencia de Frontera*) to coordinate the national response to the migration crisis.
- In late 2018, the GoC created the Single Registry of Foreign Workers in Colombia (RUTEC) and

⁴⁰ In Norte de Santander, Cúcuta, Puente Francisco de Paula Santander, and Puerto Santander.

⁴¹ *Migración Colombia*. 2021. *Reporte Semanal de venezolanos en Colombia. Seguimiento Estadístico No. 204. Datos al 15 de marzo de 2021, Fuente PLATINUM.*



launched the Temporary Transit Permit (TTP).⁴²

- The GoC guaranteed nationality rights to Colombian descendants and to children born in Colombia to Venezuelan parents, granting them Colombian citizenship – an estimated 45,467 minors benefited from this provision as of June 2020.
- The Ministry of Health and Social Protection reaffirmed the right to free emergency care, including services to migrant children, pregnant and lactating women, as well as measures to combat malnutrition, communicable diseases, and gender-based violence.
- The Ministry of Education granted universal access to education for Venezuelan children irrespective of their migration status.
- Extending family welfare services provided by Colombian Institute for Family Welfare (ICBF) to migrant households.
- Prioritizing access to basic services such as housing, water, and sanitation in host areas with a higher concentration of migrants through dedicated and national programs.
- Facilitating labor market integration through the validation of competencies and support for job creation and entrepreneurship.
- Establishing at the national and local levels differentiated attention routes for indigenous peoples, returnee victims of the Colombian internal conflict, and *caminantes*.⁴³
- In 2019, migrants were included in the Great Integrated Household Survey (GEIH), and in the health, labor, and income-generating response plans.
- Through the Ministry of Health and Social Protection, the GoC issued guidelines in March 2020 to prevent, detect and manage COVID-19 cases in the migrant population in Colombia.

40. **In March 2021, the third phase of the GoC program was initiated with the issuance of the Temporary Protection Status (TPS) for migrants from Venezuela.** The GoC envisions a process of accelerated registration of migrants in 2021 through 2023 – including both the conversion of migrants currently under Special Permit of Permanence (PEP) status and the estimated one million migrants currently in Colombia with no regular status. A key objective of this third phase is to reinforce the objectives of recovery from COVID-19 and enhance productivity and growth through the effective and sustainable integration of migrants. This third phase also focuses on providing social protection services to vulnerable migrants, including victims of human trafficking and children, by issuing a National Strategy to Combat Human Trafficking that includes specific actions to respond to the needs of Venezuelan migrants as well as host communities; and by granting eligibility of vulnerable Venezuelan children and youth to protection programs. The TPS will serve as the trigger point for the eligibility and mainstreaming of migrants from Venezuela in the medium-term in the subsidized health insurance system, formal education system, system for the provision of housing subsidies, social protection regime and labor market, amongst others.

4. PROPOSED OPERATION

4.1. LINK TO GOVERNMENT PROGRAM AND OPERATION DESCRIPTION

41. **This proposed standalone operation is closely aligned with the GoC program to increase the social and economic integration of migrants from Venezuela** across the three phases outlined in the

⁴² The Temporary Transit Permit is a document for foreign citizens who enter Colombia transiting to other countries.

⁴³ *Caminantes* refer to immigrants coming from Venezuela that arrive to Colombia by foot.



previous section. Specifically:

- **Pillar 1 “Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas” is anchored in the recent March 2021 approval of the TPS for Migrants from Venezuela.** The TPS will establish the basis for a more comprehensive extension of social and economic services to the 1.7 million migrants currently estimated to be in the country. The policy measure further provides a pathway to regularization for migrants who enter the country legally over the next two years (e.g., through March 2023). Pillar 1 also supports the registry of TPS holders, facilitating their registration in the health and social protection systems as well as enabling their access to a wide range of additional public services and programs. The pillar will further support a Migration Law which establishes the definitions, principles, and guidelines for the regulation and orientation of an integrated migratory policy through mechanisms for overall direction, interinstitutional coordination, and strengthening of roles and responsibilities for migratory management, including those related to migrants from Venezuela. Lastly, the pillar will support measures to enhance the socioeconomic and climate resilience of municipalities that host migrants.
- **Pillar 2 “Improved Access to and Quality of Services for Migrants” supports the continued consolidation and expansion of GoC efforts to provide access to and improve the quality of social and economic services to migrants from Venezuela.** The pillar will support the expansion of eligibility to – and the development of an operational protocol for – the vaccination of Venezuelan migrants from Venezuela from COVID-19. Also, the pillar will support the extension of eligibility to Venezuelan migrants to housing subsidies with respect to their access to safe, affordable and climate-resilient shelter.

Operational Description

42. **The Development Objective of this operation is to support the social and economic integration of migrants from Venezuela in host areas.** The operation is structured around two pillars: (i) Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas; and (ii) Improved Access to and Quality of Services for Migrants. A full description of the pillars and the proposed Prior Actions are provided in the section below.

43. **Pillar 1 aims to facilitate the legal and institutional basis for the protection and long-term social and economic inclusion of migrants in host areas.** The pillar supports the approval of the TPS for Venezuelan migrants and the Migration Law, which allows migrants to transition from an emergency and transitory migratory regime to a legal pathway towards regularization and long-term integration. By granting a permit of stay and work for up to 10 years, the TPS supports long-term integration of migrants, grants and expands access to basic services, and eases labor market pressures. To operationalize the TPS, the GoC created the Single Registry of Venezuelan Migrants (*Registro Único de Migrantes Venezolanos*, RUMV) to facilitate identification, socioeconomic characterization, registration in the health and social protection systems, and targeting of migrants eligible for education, health, climate-resilient housing, emergency shelter and response in the event of disasters due to natural hazards, and social protection programs in Colombia, aiming at improving their socioeconomic integration in the medium and long-term. Pillar 1 will further support the Integrated Migratory Policy elevating to Law the principles, guidelines and mechanisms developed to respond to the Venezuelan exodus, expanding them to other migration flows as relevant. The pillar also supports measures to enhance the climate and economic resilience of



municipalities hosting migrants. This includes providing access to contingent lines of credit and expanding guarantee ceiling in the event of climate-induced shocks and disasters due to natural hazards; and the creation of migration roundtables.

44. **Pillar 2 aims to support improved access to and quality of basic services for migrants from Venezuela.** This pillar will support the adoption of a series of policies, decrees and resolutions that grant access for Venezuelans to critical services, including COVID-19 vaccines and housing subsidies.

4.2. PRIOR ACTIONS, RESULTS AND ANALYTICAL UNDERPINNINGS

Pillar 1: Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas

Prior Action #1. *The Republic of Colombia has established a legal framework for the long term inclusion of migrants and refugees by: (a) approving, through its Ministry of Foreign Affairs, the adoption of Temporary Protection Status (“TPS”) for Venezuelan migrants, as evidenced by Decree No. 216, dated March 1, 2021, and published in the Official Gazette on the same date; and (b) establishing the definitions, principles, and guidelines for the regulation and orientation of its integrated migratory policy, through mechanisms for overall direction, interinstitutional coordination, and strengthening of roles and responsibilities for migratory management, including, inter alia: (i) measures to prevent all forms of racism, xenophobia, and discrimination against migrants and to reduce their vulnerability; (ii) measures for the social and economic integration of migrants in host communities with a differentiated territorial approach; (iii) measures to end statelessness; and (iv) the instances in which international protection will be provided to foreigners, as evidenced by Law No. 2136 dated August 4, 2021, and published in the Official Gazette on the same date.*

Rationale

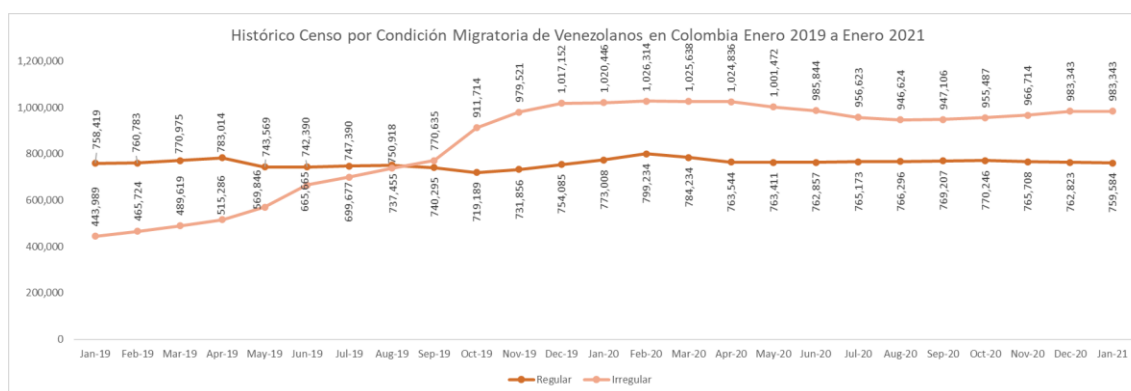
45. **Colombia has remained committed to policies of social and economic integration of migrants since the onset of the influx of migrants from Venezuela in 2015.** At the beginning of the migration crisis, the Government instituted and approved an array of policies, programs, and legislation to respond to the humanitarian crisis, including exceptional procedures to facilitate the identification of people, including birth records, Border Transit Migration Cards, and the Special Permit of Permanence (PEP) as a regularization mechanism for Venezuelans with the intention to stay. The second phase of the Government’s response, initiated in 2018, was anchored by the National Strategy for the Response to Migration from Venezuela (CONPES Report No. 3950) which sets out a series of critical actions along two pillars – a framework for the development and implementation of sectoral strategies to expand access to critical service to migrants as well as the institutional framework for coordination to ensure these outcomes. The third phase, which started in 2021, marks a critical shift in policy effort from short-term urgent responses to a longer-term framework for the integration of migrants.

46. **A central obstacle to long-term integration is irregularity - which has steadily increased since the exodus of migrants from Venezuela began in 2015.** National migratory policy, previously aimed at promoting the repatriation of Colombians living abroad, has progressively adapted towards the regularization of migrants entering the country. Cognizant of the potential benefits associated with the



social and economic integration of migrants, the GoC has progressively implemented a series of regularization mechanisms. In 2017, Colombia created the Special Permit of Permanence (PEP), granting a stay permit for up to two years as an exceptional mechanism to regularize migrants from Venezuelans. The PEP was considered an exceptional and transitional measure for two years, after which migrants were expected to transition to visas and other mechanisms for a permanent stay. Seven phases of the PEP were issued between July 2017 and January 2020, regularizing a total of 724,792 Venezuelans – 42 percent of all migrants from Venezuela in Colombia as of March 2021.⁴⁴

Figure 7. Venezuelan Population in Colombia, by Migratory Status (2019-2021)



Source: *Migración Colombia*

47. **Despite constituting a significant innovation in response to the short-term regularization needs of this vulnerable population, the PEP presented challenges to the full social and economic integration of migrants.** First, the shorter two-year period of the PEP proved over time inadequate, given the protracted nature of the humanitarian, social and economic crisis in Venezuela. The relatively short-term nature of the PEP constrained the formal labor force integration as firms hedged against hiring migrants due to residency status uncertainty into the medium-term. PEP renewals after the initial two-year period were administratively challenging and resulted in attrition in the number of registered migrants. Further, only a very small number of migrants were able to transition from PEP to other more permanent resident visas. Second, challenges were associated with the public acceptance of the PEP as an identification document – despite significant GoC public information communications efforts. Lastly, while critical in the early stage of the exodus, the eligibility requirements for the PEP gradually made the instrument less effective in regularizing the migrant population. As the vulnerability of Venezuelan migrants has grown, they are less likely to hold a passport - forcing them to cross through irregular points and hence remain irregular in the country. By January 2021, 56 percent of Venezuelan migrants were irregular.⁴⁵

48. **A second significant barrier to long-term integration has been the lack of an Integrated Migratory Policy.** Despite being the second-largest refugee host in the world, after Turkey, Colombia

⁴⁴ *Migración Colombia. 2021. Reporte Semanal de venezolanos en Colombia. Seguimiento Estadístico No. 204. Datos al 15 de marzo de 2021, Fuente PLATINUM.*

⁴⁵ *Migración Colombia. 2021. Reporte Semanal de venezolanos en Colombia. Seguimiento Estadístico No. 204. Datos al 15 de marzo de 2021, Fuente PLATINUM.*



lacked an Integrated Migratory Policy aligned with its Constitution and relevant laws, regulations, and international treaties on human rights. Prior to the Venezuelan exodus, the Colombian legal framework on migratory issues was focused on repatriation and the provision of services to Colombians abroad, including those for their return to the country. In the wake of the massive arrival of Venezuelans, Colombia issued a series of laws, decrees, and regulations to facilitate the safe, orderly, and regular migration and social and economic integration of foreigners.

49. **While these different legal instruments shared the same principles of protection, integration and safety, they were not under one comprehensive regulatory framework and had limited validity and scope.** As new decrees and regulations are issued, there is an increasing risk of contradiction, differences in interpretation and lack of observed common principles among the different legal instruments. Colombia's approach towards the integration of migrants and refugees remained subject to scope and timeframe limitations of each legal instrument instead of being compiled under a single law and an integrated policy framework. Consequently, this meant that policy gains towards integration of migrants remained disproportionately Government rather than State policy and consequently subject to potential revisions and adjustments by future administrations.

50. **The lack of a migratory policy consolidated under a comprehensive law puts at risk the significant ground that Colombia has gained in key aspects for integration of immigrants such as regularization, economic inclusion, and statelessness.** Colombia has become one of the global leaders in its response to the massive exodus of refugee-like populations, setting up one of the most comprehensive and evidence-based policy frameworks. Colombia's systematic efforts include the implementation of several instruments for long-term regularization tailored to the needs and realities of migrants, expanded access to social services, eligibility for employment and entrepreneurship programs, and the exceptional eligibility to Colombian nationality of children born in the country from Venezuelan parents. Yet, many of the legal instruments that have enabled these innovations remained provisional norms that benefit only Venezuelans in their circumstances, limiting the universality of said provisions and the application to other relevant or potential future migration flows. For example, the implementation of the Resolution that enabled the nationalization of 68,000 children born in Colombia from Venezuelan parents expired on August 20, 2021, putting at risk children born after this date to statelessness.

Substance of the Prior Action

51. **The Government of Colombia issued Presidential Decree No. 216 on March 1, 2021 to ensure an effective and clear regulatory framework for the implementation of the TPS.** The decree established the TPS mechanism for regularization and outlined conditions for access. The TPS is a leading practice for countries facing cross-border migration challenges in the region and globally. The decree creates the policy framework to:

- Develop a comprehensive registry of all migrants from Venezuela, which does not currently exist, as a tool to facilitate the provision of services and improve policymaking for integration, including expanding access to housing assistance programs aimed at increasing the resilience of migrant settlements to climate risks and impacts.⁴⁶

⁴⁶ As an extremely vulnerable population, migrant families tend to settle in the most marginalized areas in host cities, in poor



- Grant regular status to the estimated 1 million irregular migrants in the country who entered the country before January 31, 2021.
- Provide a period of stay of up to 10 years to all migrants, regular and irregular, which will significantly enhance the incentives for and probability of securing formal employment, contributing to savings, and retaining the investments of Venezuelan migrants in Colombia.
- Ensure access of migrants to services, including access to COVID-19 vaccines, climate-resilient housing, emergency shelter and response in the event of disasters,⁴⁷ social protection services and associated programs related to the GoC reactivation program from COVID-19.
- Transition PEP holders into this instrument, homogenizing the conditions for regular status across migrants, reducing uncertainty for both Colombians and Venezuelans.

52. **To ensure the sustainability of these efforts and cognizant of the benefits associated with the social and economic integration of migrants, the GoC has adopted an Integrated Migratory Policy.** This policy establishes overarching policy guidelines, mechanisms for interinstitutional coordination, and strengthens the roles and responsibilities for migratory management across levels of government. Among others, the Law outlines the principles of migratory management in the country; creates a National Migratory System composed of a range of government and civil society actors; adopts measures to prevent all forms of racism, xenophobia and discrimination against migrants and to reduce their vulnerability; adopts measures for the social and economic integration of migrants in host communities, with differentiated territorial approaches; sets measures to prevent statelessness; and establishes the instances in which international protection will be provided to foreigners.

53. **The Republic of Colombia enacted the Law No. 2136 of 2021, to adopt the definitions, principles, and guidelines for the regulation and orientation of its Integrated Migration Policy.** The Law creates the policy framework to:

- Establish clear objectives, guidelines, definitions and principles for an Integrated Migratory Policy, in which immigration towards Colombia becomes a central feature, in addition to the provision of services to Colombians abroad.
- Designates the Ministry of Foreign Affairs as the entity in charge of the formulation, implementation and evaluation of the Integrated Migratory Policy, and *Migration Colombia* as national authority in charge of migration surveillance and control.
- Creates the National Migration System, made up of national and territorial entities, non-governmental organizations, subject experts and citizens, to accompany and support the

quality housing, increasing their exposure and vulnerability to climate shocks. Indeed, migrant informal settlements are in riverbeds and flooding areas (i.e. Arauca), zones prone to draught (i.e. La Guajira), and areas at risks of landslides (i.e. Bogota and Medellin mountains). For example, through granting eligibility to resilient housing programs in safe locations and according to current construction codes and resilient guidelines described in more detail Prior Action 6.

⁴⁷ The Operational Manual for Standard Humanitarian Response of the National Disaster Risk System (SNGRD) and the Operational Manual for Psychosocial Support during Emergencies (Volume 4) establish universal access to emergency assistance in the event of a disaster. All affected people are registered in the Single Registry of Victims and Affected People (*Registro Único de Damnificados*, RUD), regardless of nationality. All affected people registered in the RUD are then provided with food assistance, cleaning kits (for floods), cooing kits, covers, mattresses, among other types of emergency assistance). In addition, the Migrant Population Program jointly led by the UNGRD and Presidential Border Management Office (*Gerencia de Frontera*), provides emergency response and protocols to migrants in Colombia. Migrants would not have access to these programs that would support their adaptation and resilience to climate-induced shocks (such as floods, landslides, and disasters due to natural hazards) without being enrolled in the TPS.



formulation, implementation and evaluation of the Integrated Migratory Policy with the objective of improving the living conditions of the migrant population.

- Provides specific guidance on the services to be provided to Colombian returnees, including the provision of specific services to facilitate their integration (e.g., title and knowledge validation) and support to vulnerable populations (e.g., unaccompanied children).
- Provides guidelines to facilitate the social, economic and productive integration of immigrants and returnees in their host areas, including easing access to formal employment; fostering local economic development in host areas; and facilitating entrepreneurship and access to finance.
- Introduces parameters on the rights and duties of foreigners in Colombia, as well as for the adequate service provision to this population.
- Compiles relevant legislation on nationality rights and documentation of the migrant population.
- Defines mechanisms for the adequate protection of foreigners in Colombia, including migrants, refugees and stateless people, ratifying efforts for ending statelessness among children of Venezuelan parents born in Colombia.
- Defines the duties and competencies of *Migración Colombia*.
- Provides other complementing guidelines including the provision of services to victims of human trafficking, migrant smuggling, information exchange with other countries, and treatment of personal information, among others.

Expected results

54. **The TPS constitutes a transformational legal framework for the long-term integration of migrants from Venezuela** – building on previous regularization efforts. The TPS is expected to significantly enhance the social and economic integration of all Venezuelan migrants – both those currently with PEP status and those with irregular status. This integration of migrants under the TPS framework will mitigate critical economic, physical, and climate risks and vulnerabilities. The 10-year residency status enabled under the TPS provides a medium-term framework for the productive engagement of migrants in the economy and, conversely, for Colombia to reap the potential growth benefits from migration. The medium-term framework of the TPS allows migrants to access critical social and economic benefits and services, thereby improving equity outcomes and reducing poverty as migrants remain among the most vulnerable and poorest groups in Colombia.

55. **It is expected that between 1.1 and 1.7 million migrants will become TPS holders by June 2023, of which between 45 and 55 percent are women.** These migrants, by virtue of enjoying regular migration status, will become eligible for: (i) jobs in the formal labor market; (ii) enrollment in the health insurance system; (iii) education and social protection services under conditions of equality with other vulnerable population in Colombia; (iv) access to climate-resilient housing and shelter and improved emergency response in the event of natural disasters; and (v) financial services, among others key benefits. By improving the ability of Venezuelan migrants to access these services, this Prior Action will address physical exposure to climate shocks and stresses and health drivers of vulnerability of this population,⁴⁸ which will contribute to their resilience to climate-induced shocks such as floods, landslides, and other

⁴⁸ For example, by supporting their ability to increase income and savings, this will allow migrant families to have additional resources for coping and adapting to climate impacts without substantial distress.



natural disasters.

56. **The extended nature of the TPS will grant Venezuelan migrants access to long-term government programs.** Specifically, the Prior Action will enable the registration of 700,000 migrants from Venezuela in the health insurance system and an expected 11 percent increase in the number of migrants enrolled in the SISBEN social registry system. Further, the TPS will enable the formulation of new programs tailored to the vulnerabilities of this population, including those related to climate change impacts, which will need a long-term horizon to ensure effectiveness. For example, following SISBEN guidelines, migrants with TPS whose homes are damaged or impacted by climate-induced natural disasters are eligible to update their information in SISBEN and become eligible for benefits from targeted social assistance programs.⁴⁹

57. **The Integrated Migration Policy is expected to significantly enhance the social and economic integration of all migrants in Colombia, including Venezuelans, and recognizes the condition of statelessness.** It will do so by adopting norms, procedures and/or instruments to guide the Integrated Migration Policy in critical areas such as (i) the socioeconomic inclusion of migrants maximizing the potential growth benefits from migration for Colombia; and (ii) recognition of the statelessness condition for people in the Colombian territory, granting them with Colombian nationality by birth or naturalization. By granting Venezuelans access to economic opportunities, this Prior Action will address physical exposure to climate shocks and stresses and reduce vulnerability drivers of this population,⁵⁰ which will furthermore contribute to their resilience to climate-induced shocks such as floods, landslides, and other natural disasters. By recognizing the statelessness condition for people in the Colombian territory, this PA reduces risks of marginalization and poverty, which are often associated with physical exposure to climate shocks and stresses.

58. **Through this Prior Action, Colombia is establishing a benchmark policy approach to address forced displacement in the region and internationally.** Global responses to forced displacement have evolved through the years across a spectrum of camp-based to comprehensive integration approaches. Through this Prior Action, Colombia is committing to an ambitious long-term process of integration for growth, creating an opportunity to generate evidence of the advantages of comprehensive migration policy approaches.

⁴⁹ *Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales (SISBEN). Ruta para la Actualización de la Base de Datos del SISBEN IV.* https://www.sisben.gov.co/SiteCollectionDocuments/ruta_de_atencion.pdf

⁵⁰ For example, by supporting their ability to increase income and savings, this will allow migrant families to have additional resources for coping and adapting to climate impacts without substantial distress.



Prior Action #2: *The Republic of Colombia has approved (i) the creation and regulation of the Single Registry of Venezuelan Migrants (Registro Único de Migrantes Venezolanos - RUMV), to regularize the presence of Venezuelan migrants in the country, and provide them with a Temporary Protection Permit (Permiso por Protección Temporal - PPT) a formal identification document that will allow them access to labor market, social security, health, education, and other government services, paying attention to vulnerable groups' special needs, such as indigenous peoples, children and transgender population; and (ii) the regulations and operational guidelines applicable to the Migration Statistical Roundtable, as evidenced by Decree No. 216 dated March 1, 2021, published in the Official Gazette on the same date; the Resolution No. 0971 dated April 28, 2021 of Migración Colombia's Special Administrative Unit, and DANE's Resolution No. 1372 of November 26, 2020.*

Rationale

59. **Since the influx of migrants from Venezuela started in 2015, Colombia began to register and collect administrative information on migrants across a series of partial, independent, and non-interoperable platforms.** First, *Migración Colombia* retains within a broader administrative registry for non-nationals (*Sistema de Información para el Reporte de Extranjeros - SIRE*) migrants registered under the PEP registration regime (around 725,000 migrants). Second, and in parallel, the National Unit for Disaster Risk Management (UNGRD) maintains an Administrative Registry of Venezuelan Migrants (RAMV) for irregular migrants. The RAMV registration system currently covers approximately only 440,000 of the estimated 1 million irregular migrants in the country. Further, sectoral ministries and agencies responsible for targeting and providing critical basic and social services maintain independent beneficiary registries (e.g., the national social registry (SISBEN), Transactional Affiliation System (SAT), education enrollment system (SIMAT), amongst others). Information on migrants from these beneficiary registry systems is not currently interoperable with either the SIRE or RAMV systems. The emergence of multiple, parallel and noninteroperable beneficiary registry systems is understandable as the volume of migrants progressively grew since 2015. Nonetheless, the approval of the TPS creates the opportunity to broaden the coverage, functionality, and interoperability of the primary GoC social and beneficiary registration systems for migrants from Venezuela.

60. **The availability of essential and representative socio-demographic and economic data on migrants from Venezuela in Colombia is limited.** Under the leadership of the National Statistical Agency (DANE), and within the framework of the National Statistical Plan (PEN), Colombia has developed a robust package of national statistical instruments including the Great Integrated Household Survey (GEIH), the Living Standards Survey (ECV), and the Multidimensional Poverty Index (IPM), among others. The Colombian statistical system is considered a leader in the region and in the developing world with respect to its reliability, representativeness, and breadth of sectoral coverage. The statistical system regularly informs social and economic policymaking across multiple sectors and with a significant degree of geographic disaggregation. Nonetheless, existing instruments within the national statistical system have been stressed to adapt, given the rapid influx and significant scale of migration from Venezuela. The disproportionate geographic dispersion and mobile nature of the migrant population in Colombia place a further strain on the ability of the statistical system to adequately capture critical socio-demographic and economic data on migrants, which is essential for the development of public policy. The national statistical



system created an institutional framework, e.g. Sectoral Statistical Committees (SSC), to address specific statistical needs – such as those for migration – not fully addressed by baseline statistical instruments.⁵¹ SSCs are formal cross-sectoral entities that provide guidelines and instructions on data collection, data management, and information security of official statistics, and specific thematic roundtables are frequently created within the framework of specific SSCs.

Substance of the Prior Action

61. **The GoC approved the creation and regulation of a Single Registry of Venezuelan Migrants (*Registro Único de Migrantes Venezolanos* – RUMV) through Resolution No. 0971 dated April 28, 2021 of *Migración Colombia's* Special Administrative Unit.** The RUMV will serve as Colombia's first single registry of Venezuelan migrants. The RUMV constitutes an important advance in terms of the coverage, functionality, and interoperability of the primary registration system for migrants. The RUMV will be comprehensive – covering up to all 1.7 million migrants from Venezuela estimated to reside in Colombia, subject that they register within the system. Since registration is voluntary, a significant public information campaign (e.g., *Hazlos Visibles*) was launched under the leadership of *Migración Colombia* to encourage migrants to register through the TPS. The RUMV will be administered by a Special Administrative Unit reporting to *Migración Colombia*, following operational guidelines outlined in the Ministry of Foreign Affairs' Decree No. 216, dated March 1, 2021. Registration started in May 2021 and will continue until May 2022, allowing for potential exceptions through November 2023. As of August 25, 2021, 1,160,599 Venezuelans had completed their RUMV registry and 978,962 had appointments for the collection of biometric data.

62. **Critically, the RUMV registration process will culminate with the issuance of a biometric registration identification card to all registered migrants.** Special provisions for the registry of particularly vulnerable groups (e.g. Indigenous Peoples, the transgender population, and children under the protection of the ICBF) have been introduced to ensure that these groups can access the TPS. This will allow for expanded access to services and build interoperability with key social and beneficiary registration systems, as well as provide continuity of services to migrants during climate-induced shocks (floods or landslides) because it does not rely on a physical identification card or document that can be damaged or lost during such event.⁵² Further, the registry will aid in the identification of needs of the migrant population to address climate risks and vulnerabilities through the collection of location, housing and living conditions, and risk assessment information. The data collected by the registry will provide relevant information on the climate vulnerability of migrants, including age,⁵³ disabilities,⁵⁴ and geographic location, which will be compared to disaster risk maps to inform settlement planning and will be used when a risk materializes to locate and respond to impacts.

⁵¹ The SSC framework was created through Decree No. 2404 of 2019 issued by DANE.

⁵² This identification system will facilitate continuity in the provision of public and private services to vulnerable populations in times of climate-induced shocks and natural disasters, for instance through access to medium-term non-food assistance programs for regular migrants and Colombian nationals.

⁵³ Older people and young children are generally more vulnerable to climate change - Leyva, E et al., Health Impact of Climate Change in Older People: An Integrative Review and Implications for Nursing (2017). <https://sigmapubs.onlinelibrary.wiley.com/doi/pdfdirect/10.1111/jnu.12346>

⁵⁴ Disabled populations are generally more vulnerable to climate change - United Nations General Assembly, A/HRC/44/30 (2020). <https://undocs.org/A/HRC/44/30>



63. **The GoC, through Resolution No. 1372 of November 2020, established and entrusted the Migration Statistical Roundtable** with the specific operational brief to strengthen the collection and analysis of socio-demographic and economic data on migrants within the national statistical system. The Roundtable – formed under the umbrella of the Demography, Health, and Social Welfare Statistical Committee – is responsible for: identifying statistical and information needs related to migrants, including those related to climate risks and vulnerabilities of the migrant population;⁵⁵ defining annual action plans to collect, manage, and protect statistical information; obtaining the resources needed to overcome prioritized data gaps; and, proposing and monitoring statistical actions and operations to be included in the Annual Statistical Quality Evaluation Program (PECE) by the National Statistical Department (DANE). Additionally, the Migration Statistical Roundtable issues a biannual progress report to DANE and the Demography, Health, and Social Welfare Statistical Committee. Members of the Migration Statistical Roundtable will meet twice annually and include representatives from DANE, DNP, *Migración Colombia*, Ministry of Foreign Relations, Presidential Border Management Office (*Gerencia de Frontera*), the Colombia National Food and Drug Surveillance Institute (INVIMA), *Unidad Víctimas*, Ministry of Health, Ministry of Interior, Ministry of Labor, National Police, Ministry of Defense, National Disaster Risk Management Unit, ICBF, National Institute of Health, and the Office of the Attorney General.

64. **All data collected and shared under this Prior Action will follow protocols for information sharing and data security as defined in Colombia's Habeas Data policies and procedures.** Colombia has strong policies in place for data protection, detailed in its Habeas Data legislation. Furthermore, both *Migración Colombia* and DANE have proven track records of adequate data management and protection, as well as sufficient institutional capacity to do so for additional datasets to be collected under the PA.

Expected results

65. **The Prior Action is expected to collect and harmonize critical information on the migrant population that will help accelerate the mainstreaming of and access to critical health, social, education and economic services.** The RUMV will include specifically: (i) the pre-registration of applicants; (ii) the administration of socioeconomic surveys to applicants; (iii) the issuance of biometric residency identification cards for all migrants registered under the TPS regime; and (iv) the development of interoperable data protocols of the RUMV with the public health insurance (SGSSS), social services (SISBEN), the Transactional Affiliation System (SAT), and the education enrollment (SIMAT) registry systems, among others. Through improved access to critical health, social, education and economic services, this Prior Action also contributes to accelerating the government's capacity to mitigate the specific vulnerabilities of migrants from Venezuela, including continuity of social services and assistance during climate shocks.

66. **Further, the PA is expected to put in place an interoperable data sharing protocol between the RUMV and key registry systems.** These include, the National System for Identification of Potential Social Program Beneficiaries (SISBEN), the General System of Social Security in Health (SGSSS), the Transactional Affiliation System (SAT), and the Education's Enrollment Integrated System (SIMAT), with data disaggregated by sex.

⁵⁵ Including geographic location and disaster risk mapping and relevant demographic indicators of climate vulnerability such as age and disability.



67. **Finally, this Prior Action, through the Migration Statistical Roundtable, is expected to harmonize statistical guidelines and standards for the collection, management, and safeguarding of critical information on migration across government agencies and levels.** The Prior Action would also contribute to improving the availability and quality of socio-demographic and economic data on migrants from Venezuela in the framework of the national statistical system. The enhanced availability of reliable and timely statistical information on migrants is expected to improve the targeting, efficiency, and efficacy of policies and programs focused on the social and economic integration of Venezuelan migrants. It will also enhance national and local state capacities to increase responsiveness to migrants' vulnerabilities with respect to climate-related shocks and disasters through the registration of demographic and geographic information for migrants and the use of this data to inform climate risk planning and response, including for floods, landslides, and other disasters.

Prior Action #3: *The Republic of Colombia has expanded authorizations to the national government for external and internal credit operations, including increasing the ceiling on the guarantees to be issued by the national government in support of debt obligations of other public entities, therefore, allowing territorial entities access to contingent lines of credit to ensure liquidity in the event of a natural disaster; as evidenced by Law No. 2073, dated December 31, 2020 and published in the Official Gazette on the same date.*

Rationale

68. **Approximately 67 percent of migrants from Venezuela live in municipalities and territorial entities with medium, high, and very high hydrometeorological risks, exacerbating pre-existing vulnerabilities to climate-induced shocks and disaster risks.**⁵⁶ Of the 15 municipalities that have been most impacted by the influx of Venezuelan migrants (e.g. those with the highest share of Venezuelan migrants as a percentage of their total population), 13 experience medium, high, or very high vulnerability to disaster risks due to floods, landslides, and disaster risks exacerbated by climate change.⁵⁷ Data from the 2018 Colombia Risk Atlas also shows that municipalities with a higher share of Venezuelan migrants also experience high levels of physical risk,⁵⁸ socioeconomic fragility and lack of resilience.⁵⁹ In the border city of Cúcuta, for example, Venezuelan migrants are highly concentrated in peripheral suburban settlements with little or uncontrolled urbanization that limits the capacity of local authorities to provide

⁵⁶ Own calculations using data from *Migración Colombia*, administrative records from the SIRE, PEP, Ministry of Foreign Affairs registries (as of January 31, 2021), the 2018 National Population and Housing Census, the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM) 2017. *Tercera Comunicación Nacional de Cambio Climático*. IDEAM, PNUD, MADS, DNP, CANCELLERÍA, FMAM. Bogotá D.C., Colombia.

⁵⁷ Maicao, Riohacha, Ciénaga, Sincelejo, San Juan del César, Fonseca, and Valledupar rank the highest in terms of their impact factor due to socioeconomic fragility and lack of resilience. Arauca, Saravena rank the highest on hydrometeorological risks. Villa del Rosario, Cúcuta and Pereira rank highest on seismic risk and have a high prevalence of Venezuelan migrants.

⁵⁸ The physical risk indicator of the Colombian Risk Atlas (2018) measures the probabilistic estimations of annual expected losses due to earthquakes, tsunamis, and climate-induced events such as floods and tropical cyclones.

⁵⁹ The socioeconomic fragility and resilience risk indicator of the Colombian Risk Atlas (2018) is comprised of two factors that are highly correlated with increased climate vulnerability: (i) socioeconomic fragility, including variables such as people living under extreme poverty, high housing deficit, overcrowding, lack of access to water and sanitation, unmet basic needs (NBI), high infant mortality rates, low literacy rates, and high unemployment; and (ii) lack of resilience, including variables such as municipal disaster risk index, per capita municipal tax and non-tax incomes, municipal governance index, per capita GDP, population in largest city, firm density, and number of health care centers per 1,000 inhabitants.



basic services and increase the risk for the growth of slums. Informal settlements are more vulnerable to climate impacts such as floods and landslides due to poor-quality housing and infrastructure.⁶⁰ Recent satellite imagery analysis in Cúcuta shows human settlements being established on low and erosional stubble soils unsuitable for building housing,⁶¹ including risks of floods, landslides, and disasters exacerbated by climate change. This disproportionate habitational vulnerability of migrants from Venezuela to climate-induced disasters noted in Cúcuta is seen in many municipalities with a high incidence of migrants.

69. **To cope with increased climate vulnerabilities and mitigate potential human and economic losses, local and national authorities have recognized the need to expand and diversify financial instruments for protection against climate shocks and natural disasters.** Given the magnitude of losses from past major climate-induced disasters,⁶² Colombia recognizes the need to improve local and national capacities to adapt and reduce the impacts of these risks. It also recognizes the need to ensure a stable financial flow to implement climate and DRM actions. The National DRM Fund is currently one of the primary sources of financial funds that municipalities can access in the event of a disaster.⁶³ However, subnational entities must establish subnational DRM Funds and fiscal subaccounts as per Law No. 1523 of 2012. Therefore, there is a need to diversify the pool of agile financial instruments available to protect subnational entities against disasters. This is particularly important for municipalities that have experienced fiscal strain due to the influx of Venezuelan migrants, which has, in turn, limited their ability to address climate change impacts, especially those disproportionately in areas vulnerable to floods, landslides, and other climate-induced disasters.

Substance of the Prior Action

70. **In response to the interest expressed by municipalities and territorial entities, the Ministry of Finance and Public Credit (MHCP),⁶⁴ structured a program that allows territorial entities to access additional financial resources for protection against disasters, including climate-induced disasters.** Primarily, these include contingent lines of credit with multilateral and bilateral organizations, which ensures the availability of economic resources in the event of a climate-induced natural disaster. However, access to these instruments by territorial entities is conditioned, in most cases, on the support of the national government through an issuance of a guarantee. Through an expansion of the guarantee quota, Law No. 2073 of 2020 establishes a dedicated envelope for the contingent lines program for territorial entities. Access to these contingent lines of credit at the subnational level will be carried out under adequate fiscal discipline rules. This expansion reduces financial and natural disaster vulnerabilities at the subnational level, especially benefitting municipalities that have increased compounded risks due to their high exposure to climate change impacts from floods, landslides, and other natural disasters, as

⁶⁰ Mensah Owusu & Melissa Nursey-Bray (2019) Socio-economic and institutional drivers of vulnerability to climate change in urban slums: the case of Accra, Ghana, *Climate and Development*, 11:8, 687-698, DOI: [10.1080/17565529.2018.1532870](https://doi.org/10.1080/17565529.2018.1532870).

⁶¹ EO4SD-fragility (UNOSAT for ESA/World Bank). 2019. Urban Expansion in Cúcuta.

⁶² Gramalote (2010) and Salgar landslides (2015) alone, have each amounted a cost near COP\$0.5 billion (*Fondo Adaptación*, 2018; UNGRD, 2017); and Mocoa flashflood (2017) an estimated COP\$1,2 billion of reconstruction investments by 2022 (UNGRD, 2018).

⁶³ Per Colombia's 2012 National DRM Law, this Fund is structured in five subaccounts to support risk financing: (i) understanding risk; (ii) risk reduction; (iii) disaster management; (iv) disaster recovery and (v) financial protection. This structure is aligned with the national DRM pillars, hence it can be replicated and strengthened at the subnational level of government.

⁶⁴ The Minister of Finance is the leading entity and responsible for the country's financial protection against disaster risk including those related to climate change impacts.



well as their exacerbation due to large migrant populations settling in high-risk areas. It also encourages subnational entities to take on a larger responsibility for their financial protection against disasters, including climate-induced disasters.

Expected results

71. **It is expected that policy reform under this Prior Action will improve resilience and response to climate change shocks and natural disasters, including floods and landslides at the subnational level, by improving access to financial resources needed to respond and recover from these events.** This Prior Action will promote initiatives aimed at implementing financial protection instruments at the national and subnational level, as well as improving sectoral and territory capacities through the development of financial protection strategies against climate disaster risk. It is expected that due to this Prior Action, areas experiencing large migrant influxes will become better equipped to address the DRM and climate adaptation needs of their population, including both migrants in highly exposed areas as well as the general population.

Prior Action #4: *The Republic of Colombia has presented evidence of the approval of local regulations, through relevant municipalities, for improved coordination, policy making, service delivery and participation in decision making in host areas by creating Migration Roundtables and other coordination mechanisms, as evidenced by Santander's Resolution No. 10032, dated November 10, 2020; Arauca's Decree No. 100, dated November 30, 2020; Vichada's Decree No. 218, dated December 2, 2020; Cartagena's Decree No. 1621, dated December 31, 2020 and complementary Guidelines, published on March 2, 2020; Boyaca's Decree No. 115, dated March 23, 2021; Casanare's Decree No. 087, dated May 13, 2021.*

Rationale

72. **The disproportionate impact of migration from Venezuela at the local level has demonstrated the need for coordinated action across the national, departmental, and local levels.** With the aim to strengthen coordination in host areas, local and national authorities have progressively created Migration Roundtables (*Mesas Migratorias*) and other coordination mechanisms⁶⁵ across various levels of government. Migration Roundtables were first created in 2018 in the departments of Norte de Santander and La Guajira – largely focused on security and logistical considerations related to the influx of migrants. Regardless of their denomination, these mechanisms share key characteristics: (i) their function as local coordination bodies; (ii) their multi-stakeholder composition, including the encouraged and facilitated participation of representatives of the migrant community; and (iii) their focus on the development of locally appropriate solutions to enhance the social and economic inclusion of Venezuelans. As migration from Venezuela accelerated, spread geographically, and the duration of stay of migrants extended,

⁶⁵ In early stages of the Venezuelan exodus, the National Unit for Disaster Risk Management (UNGRD) established coordination mechanisms in border municipalities, as response coordination spaces, following the management framework. As the exodus has evolved, natural disaster risk planning remains part of the coordination mechanisms, but they have also evolved into Migration Roundtables at the municipal, sub-regional and departmental level, according to the needs and dynamics of each territory.

*Attention routes are roadmaps to access services. This includes all the different steps and necessary information that migrants may need in order to receive a benefit.



Migration Roundtables were established in additional host departments and municipalities, and its mandate expanded to the coordination of responses to the influx of migrants. Today, Roundtables and similar coordination mechanisms focus on the provision of education and health services, labor inclusion, protection of minors, adequate housing, drinking water, basic sanitation, and geographic considerations related to natural hazards or other climate-induced shocks, amongst other activities. These coordination bodies involve actors across civil society, private sector, international cooperation agencies, and local authorities, including those in charge of ensuring safety conditions for both migrants and locals. To date, Roundtables and similar coordination mechanisms have been created in 13 departments (e.g., Bolívar, Atlántico, Cundinamarca, Sucre, Guainía, César, Valle del Cauca, Nariño, Magdalena, Antioquia, Caldas, Quindío, and Risaralda) and in five border municipalities (e.g., Riohacha, Uribia, Cúcuta, Pasto and Mocoa).

Substance of the Prior Action

73. **The proposed Prior Action supports the creation of six additional decentralized Migration Roundtables or similar coordination mechanisms.** Specifically, it supports the formation of coordination bodies in five departments (Arauca, Santander, Vichada, Boyacá and Casanare) and one city (Cartagena). These subnational entities host over an estimated 360,205 migrants – approximately 21 percent of the 1.7 million migrants from Venezuela in Colombia. The Prior Action supports enhanced capacity to improve coordination, mobilize key institutions, strengthen response management to the influx of migrants, and increase inter-governmental coordination to mitigate climate vulnerabilities among migrant communities. The Prior Action is expected to improve the diagnosis of needs and the development of policies and programs. Specifically, it is anticipated that these mechanisms will support at the departmental and municipal levels: (i) the establishment of one-stop facilities for Venezuelan migrants to access the services of government and humanitarian agencies; (ii) the development of guidelines for the increased and improved service provision to Venezuelan migrants; (iii) the provision of services to mitigate overcrowding and/or climate-vulnerability of migrant settlements, ensuring improvements in their housing and living conditions and as well as enhancing resilience to floods, heatwaves, and landslides, and the relocation of migrant settlements in areas with high risks of floods, droughts, and landslides to lower-risk locations; (iv) the accommodation of migrants in transit during the implementation of lock-down measures during the pandemic; and (v) the development of programs for reducing xenophobia in host communities, among others.

Expected results

74. **It is expected that through this PA, six Migration Roundtables or coordination mechanisms will have a direct impact on the extension of critical social, health, education, infrastructure and economic services for migrants and highly impacted host areas, while also enhancing their resilience.** Additionally, the Prior Action will enable greater efficiency in the mobilization of scarce resources for the attention of migrants. Further, it is anticipated that, based on the needs in specific departments and municipalities, migrants may be represented in Roundtables and coordination mechanisms – deepening opportunities for migrants to exercise agency in the identification and prioritization of needs. Increased voice for migrants in Roundtables and coordination mechanisms also aligns with global good practice on disaster and climate risk management related to the principle of subsidiarity, where decisions are made at the level closest to where impacts are being felt and based on inputs from climate-vulnerable communities.



Pillar 2: Improved Access to and Quality of Services for Migrants

Prior Action #5: *The Republic of Colombia, through the Ministry of Health and Social Protection, has adopted the National Vaccination Plan against COVID-19, through which Venezuelan migrants have been made eligible for vaccination for COVID-19, as evidenced by Decree No. 109 dated January 29, 2021 and published in the Official Gazette on the same date.*

Rationale

75. In response to the COVID-19 pandemic, the Ministry of Health and Social Protection has adopted a series of actions for the prevention, detection, and management of COVID-19 cases among the migrant population in Colombia. In December 2020, Law No. 2064 of 2020 was approved, outlining the national immunization strategy against COVID-19. The Law establishes that the immunization process should be carried out at zero cost to beneficiaries, whose prioritization should be outlined in the National Vaccination Plan against COVID-19, approved by decree. Guidelines provide recommendations for departments, districts, and public and private health care providers to deliver health care services to the migrant population, including transitional modalities of care during emergencies,⁶⁶ food insecurity, recreation, training, and accommodation services (social services). The vaccination process involves a series of comprehensive risk management activities to avoid and mitigate climate and environmental impacts, including energy-efficient storage equipment, training and capacity building, biosafety and waste disposal protocols.⁶⁷ The cooling storage equipment of the vaccines has energy devices to monitor energy consumption to ensure efficiency, therefore reducing GHG emissions, environmental impacts and energy costs, while the environmental impacts comply with the country's regulatory framework on comprehensive biohazardous waste management.⁶⁸ This framework is based on International Health

⁶⁶ Resolution No. 45 of November 2020, signed by the Ministry of Health and Social Protection and the National Institute of Health established guidelines to ministries and local authorities to prepare and respond during Climate induced disasters and COVID-19, to ensure continuity of the vaccination program and other social and Health services during disasters.

⁶⁷ Risk management activities to avoid and mitigate environmental impacts comply with the country's regulatory framework on the comprehensive management of waste generated by health care and the issuance of the Manual of Procedures for the Comprehensive Management of Hospital and Similar Waste and the Technical and Operational Guidelines for Vaccination against COVID-19. These include: (i) capacity assessment of hospital managers for appropriate waste disposal, (ii) revision and adjustment of waste management plans considering both intramural and extramural vaccination, (iii) handling and separation of the waste generated in the vaccination process, (iv) training of health personnel, (v) compliance with biosafety and occupational safety regulations, including sharps waste and hazardous waste of biological and infectious risk. Regarding storage conditions, the MoH follows regulations of the Technical Manual of Expanded Immunization Plan (PAI). Also, the cooling storage equipment for the vaccines are energy efficient and monitor energy consumption to ensure this efficiency, therefore reducing GHG emissions, environmental impacts and energy costs. The MoH adapted freezing chambers in some cooling warehouses for the storage of vaccines which require temperatures of -25°C.

⁶⁸ The Ministry of Health and Social Protection adopted the general biosafety protocol, through Resolution No. 666 of April 24, 2020, for all economic, social and public administration sectors aimed at minimizing the factors that can generate transmission of the illness. Likewise, the MoH in coordination with the Ministry of Environment and Sustainable Development and the Ministry of Housing, City and Territory, developed the document "Guidelines to be taken into account for the separation, management, collection in the public cleaning service and the management of solid waste in the state of emergency generated by SARS-COV-2 (COVID-19)"; The purpose of this document is to present to the people who provide the public cleaning service, to the actors in the waste management chain and to the users in general, the set of guidelines to follow regarding the management of solid waste and public toilet service. The regulations are complemented with Resolution No. 680 of 2020 that adopts the biosafety protocol for the management and control of the risk of covid-19 in the drinking water and basic sanitation sector. It is important to note



Regulations adopted in 2005 by the World Health Organization (WHO). Colombia, as a WHO member country, is committed to complying with the provisions of the International Health Regulations, and through Decree No. 3518 of 2006 establish the regulations for the National Public Health Surveillance System (SIVIGILA). The MoH leads the National Liaison Center for the permanent exchange of information with the WHO and other international health organizations. The GoC recognizes the need to reach herd immunity, take inclusive and proactive measures to vaccinate the migrant population, and avoid discriminatory practices by removing barriers for migrants.

76. The eligibility of Venezuelan migrants to COVID-19 vaccines was initially unclear, creating risks of persistent outbreaks and undermining the goal of reaching herd immunity. Venezuelans face significant challenges in accessing health insurance coverage due to the irregular status of approximately 1 million migrants, difficulties enrolling in the subsidized and contributory health insurance systems, and discrimination by healthcare providers. Further, the migrant population is characterized by high geographic mobility, limited access to communication channels and limited information about their health conditions – factors that make vaccination logistics particularly complex and thereby amplify the risk that migrants will not be able to access a COVID-19 vaccine when available. Among migrant and host communities, women have disproportionately faced the health and economic impacts of both climate change and COVID-19. Inadequate vaccination of migrants not only exposes this already vulnerable population to high health risks but also compromises the objective of the COVID-19 immunization efforts for the entire population, particularly in communities with a high share of Venezuelan migrants in their population. Vaccinating migrants also improves their health status, which enhances their resilience to manage climate shocks and stresses and mitigates their economic impact when disasters due to climatological events occur.

77. The registration of migrants in the health care system has advanced but continues to be limited due to the high number of irregular migrants. In 2020, the GoC issued Decree No. 64, which established the conditions under which the migrant population with PEP and regular migration status can be affiliated to the General System of Social Security in Health (SGSSS). This affiliation process of eligible migrants is supported by a parallel IBRD operation (Program to Improve the Sustainability of the Health System in Colombia with Inclusive Approach – P169866). A total of 313,392 Venezuelan migrants, or 19 percent of all Venezuelans in the country, are currently affiliated with the SGSSS. So far, irregularity has been one of the main barriers for Venezuelans to enroll. The adoption of the TPS (described under Prior Action 1), through which nearly one million Venezuelans will regularize, is expected to enable migrants to enroll in the SGSSS in the near future.

78. With the adoption of the TPS, the GoC seeks to achieve the complementary goals of affiliating migrants to the health insurance system (SGSSS) and vaccinating them against COVID-19. The GoC is committed to vaccinating migrants to achieve the herd immunity necessary to mitigate the pandemic. To do so, the GoC is advancing in the affiliation of regular Venezuelans to the health system as an effective way to grant them access to a range of health services, including the vaccination of at least 1 million Venezuelans in the next two years. As the greatest challenge is to achieve affiliation to the system, the

that the MoH provides technical assistance to health secretaries so that they can: -Provide support and technical assistance to the IPS including the IPS of the entry points and steps borders of its competition; carry out intersectoral coordination with the competent authorities (environmental, departmental, municipal) within the framework of the comprehensive management of waste generated in health care; provide key and timely information to health service providers, waste managers on promotion and prevention measures associated with the handling and management of waste.



MoH has developed strategies to reach migrants, working in partnership with international organizations, including the WB, that will be implemented even before the initiation of the regularization process.

Substance of the Prior Action

79. **The Government issued Decree No. 109 of 2021 on January 29, 2021, approving a National Vaccination Plan.** The Vaccination Plan aims to reduce mortality and morbidity due to COVID-19, reduce the incidence of serious cases, protect the population from high exposure to the virus, and reduce contagion within the population to control transmission and achieve herd immunity. The principles of the Plan are solidarity, efficiency, charity, the prevalence of the general interest, equity, social and distributive justice, transparency, progressiveness, differential approaches, access and accessibility and equality. The plan consists of two phases and five stages to reach 35 million people vaccinated by end-2021. The target population of the Vaccination Plan includes all the inhabitants of the country over the age of 16, excluding pregnant women. The end goal is to achieve herd immunity (e.g. when 70 percent of the population will achieve immunity against the virus).

80. **The National Vaccination Plan White Paper, published in February 2021, includes a dedicated section on the vaccination of the migrant population.** The White Paper establishes that regular migrants are included in the national vaccination plan. The Paper further recognizes the challenges associated with vaccinating migrants who are currently irregular. Specifically, the Paper notes the operational challenge in identifying, locating, and tracing unregistered migrants. The GoC is currently actively engaged in developing protocols for administering COVID-19 vaccines to migrants from Venezuela with a particular focus on their socio-demographic and residential characteristics. Prior Action follows the United Nations Human Rights guidance on equitable access to COVID-19 vaccine where all migrants and refugees should be included in COVID-19 vaccination programs, considering specific vulnerabilities, risks and needs of those migrants who are most exposed and vulnerable to the coronavirus. In the context of the COVID-19 pandemic, the rights to health and non-discrimination are fundamental and indispensable.

Expected Results

81. **It is estimated that between 1.1 and 1.3 million migrants, of which 45 to 55 percent are women, will be vaccinated under the National COVID-19 Vaccination Plan by June 2023.** The actions described above will consolidate the government's strategy to vaccinate all inhabitants over the age of 16 in the country, including the migrant population, regardless of their migration status, to reduce mortality and morbidity caused by COVID-19. This will benefit a population in Colombia that is particularly vulnerable, including economically, physically, and to climate change impacts, all of which can compound negative health outcomes.

Prior Action #6. *The Republic of Colombia, through the Ministry of Housing, City and Territory, has expanded the eligibility of the National Rental Housing Program “Semillero de Propietarios” to target migrants from Venezuela, as evidenced by Decree No. 057 dated January 19, 2021, and published in the Official Gazette on the same date.*



Rationale

82. **Migrants from Venezuela disproportionately experience compound vulnerabilities that constrain their ability to access resilient, safe, and affordable housing.** The inflow of approximately 500,000 Venezuelan migrant households to Colombia has exacerbated pre-existing vulnerabilities among nationals and migrants, including to climate and disaster risks,⁶⁹ and social fragility related to qualitative and quantitative resilient housing deficits, among other unmet basic needs. First, in terms of their vulnerabilities to climate and disaster risks, migrants are disproportionately living in climate-vulnerable areas and insecure housing conditions, including physical structures that are vulnerable to floods, landslides, and disasters.⁷⁰ In the event of a disaster, flood, drought, heatwave, or landslide, Venezuelan migrants are more physically vulnerable and less resilient than others. Data from the 2018 Colombia Risk Atlas shows that municipalities with a higher prevalence of Venezuelan migrants also experience high socioeconomic fragility and lack of resilience. In cities like Cúcuta, Villa del Rosario and Arauca, these risks compound with high levels of physical risk to climate change impacts and disasters.⁷¹ Second, in terms of socioeconomic vulnerabilities, Venezuelan households are disproportionately represented in the lowest income groups, with 88 percent of migrants earning less than two minimum wages (MW), or US\$462 per month (as compared to the estimated 80 percent of Colombian nationals that earn less than MW). Approximately 90.9 percent of migrant households reside in rental units occupying 7 percent of the total rental units in urban areas.

83. **The lack of access to climate-resilient, safe, and affordable housing has significant equity implications, particularly affecting migrant women and girls.** A recent survey revealed that migrant respondents in Colombia, 80 percent of whom were women, face an elevated risk of eviction and nearly 70 percent of them have received notifications of eviction.⁷² Women living in temporary or improvised settlements often lack access to proper facilities, including water and sanitation. The lack of privacy and protection are also significant risks for women and girls, particularly with respect to gender-based violence. For migrant women and girls, the lack of proper housing exacerbates safety and health risks.⁷³

84. **Venezuelan female-headed households, while a smaller percentage of all households, face specific vulnerabilities, that affect their access to safe living conditions for them and their families.** Women and men experience and respond differently to migration and forced displacement.

⁶⁹ Approximately 86 percent of the Colombian population (of which 3.5 percent are migrants) and 86 percent of assets are in areas exposed to two or more hazards. <https://climateknowledgeportal.worldbank.org/country/colombia/vulnerability>

⁷⁰ Venezuelans that migrate to Colombia face significant challenges due to their living conditions in areas that are already disproportionately impacted by climate-induced shocks such as floods, droughts, and landslides. As an extremely vulnerable population, migrant families tend to settle in the most marginalized areas in host cities, which are often at high risk of climate shocks. Indeed, migrant informal settlements are in riverbeds and flooding areas (i.e., Arauca), zones prone to draught (i.e., La Guajira), and areas at risks of landslides (i.e., Bogota and Medellin – Andean mountains). In addition to the geographic locations where Venezuelan migrants reside in Colombia, these groups are inherently more vulnerable to climate change impacts than other residents due to poverty rates, insecure housing, food insecurity, and lack of access to basic services such as electricity and water. *Atlas de Riesgo de Colombia*. 2018.

⁷¹ The physical risk indicator of the Colombian Risk Atlas (2018) measures the probabilistic estimations of annual expected losses due to earthquakes, tsunamis, and climate-induced shocks such as floods and tropical cyclones.

⁷² *Plataforma Regional de Coordinación Inter-agencial para Refugiados y Migrantes de Venezuela (R4V)*. 2021. *Encuesta regional de desalojos de las personas refugiadas y migrantes de Venezuela: Análisis de los principales impactos y necesidades*. <https://reliefweb.int/sites/reliefweb.int/files/resources/ENCUESTA%20REGIONAL-FEBRERO16-web.pdf>

⁷³ World Bank. 2021. *The Gendered Impacts of COVID-19 on Labor Markets in Latin America and the Caribbean*. Washington, D.C.



International literature indicates that women and girls tend to face particular vulnerabilities including job discrimination, sexual abuse and other forms of gender-based violence. This is also true for Venezuelan migrants in Colombia. While there are no representative data in Colombia on households with this characteristic, in Ecuador it was found that 16.6 percent were headed by a woman. Venezuelan women face difficulties in accessing housing in Colombia since their livelihoods, mainly jobs in informal economies, have been affected by the pandemic. For example, a recent survey indicates that Venezuelan migrant women are less likely to participate in the labor market than their male counterparts (52.8 percent vs. 79.1 percent, respectively) and significantly more likely to be unemployed (34.6 percent vs. 14.3 percent, respectively). The main reason behind this pattern, as cited by interviewed women, is household and care responsibilities.⁷⁴ The lack of documentation and a permanent source of income that would allow them to pay for their rents increase their housing insecurity. Indeed, in another study it was found that 83 percent of Venezuelan women do not have a written rental agreement, increasing their risks to evictions as indicated above. The study also revealed that the risks of eviction have greater impacts for female heads of households than the rest of the migrant population of Venezuela because of their vulnerability to poverty and significantly higher dependency rates.⁷⁵ Finally, high housing cost results in compromising other expenditures such as in food, health or transport, further undermining economic and employment opportunities for female-headed households.

85. The GoC has extended eligibility to national housing programs and subsidies to migrants from Venezuela to address specific vulnerabilities to physical and socioeconomic risks. The government has developed a strategy that combines rental subsidies with home improvement programs to address both demand and supply-side constraints related to the availability of climate-resilient and sustainable housing solutions for both migrants and host communities. The home and neighborhood improvement program, *Casa Digna Vida Digna* (CDVD), targets low-income households located in climate-vulnerable areas. Most of the municipalities scheduled to benefit from the CDVD program are also among those most affected by migration from Venezuela. The CDVD program provides access to improved housing solutions that comply with the highest housing retrofitting and living standards⁷⁶ to improve their physical resilience to climate change impacts such as floods and landslides. Further, the *Semillero de Propietarios* (SDP) rental housing program supports the direct needs of Venezuelan migrant households and has had positive impacts on increasing housing quality and overall living conditions. Rental subsidies can serve as an agile form of assistance – enabling migrants to quickly secure climate-resilient, safe and affordable shelter close to employment and within existing communities where networks and social capital among migrants are high. Improving the supply and quality of the overall housing stock benefits both migrants seeking safe and affordable rental housing solutions and homeowners in already climate and economically vulnerable

⁷⁴ Departamento Administrativo Nacional de Estadística (DANE). 2021. Nota Estadística: Población migrante venezolana en Colombia, un panorama con enfoque de género. <https://www.dane.gov.co/files/investigaciones/notas-estadisticas/jul-2021-nota-estadistica-poblacion-migrante-venezolana-panorama-con-enfoque-de-genero.pdf>

⁷⁵ Plataforma Regional de Coordinación Inter-agencial para Refugiados y Migrantes de Venezuela (R4V). 2021. Encuesta regional de desalojos de las personas refugiadas y migrantes de Venezuela: Análisis de los principales impactos y necesidades. <https://reliefweb.int/sites/reliefweb.int/files/resources/ENCUESTA%20REGIONAL-FEBRERO16-web.pdf>

⁷⁶ The climate resilient measures and retrofitting standards are based on the Operation Manual of the CDVD and SP programs including: (i) investing in areas where hazard conditions and climate risk prevent the use of the land for urban development; (b) preserve environmentally protected areas; (c) investing in areas with access to public services; and (d) areas with roads and other basic infrastructure. The CDVD and SP programs are developed in areas with POTs that include specific hazard and risk studies: (a) floods, flashfloods, and landslides hazard maps, as well as other climate risk information; (b) delimitation of areas where high risk can or cannot be mitigated; and (c) measures to set restrictions and determine urban use regulations (i.e. urban growth, density, and city boundaries, among others).



host communities. Further, within the context of the COVID-19 pandemic, this combined solution to facilitate adequate and safe housing for vulnerable households can help curb the spread of disease and save lives.

Substance of the Prior Action

86. **The Prior Action will support the extension of eligibility for the *Semillero de Propietarios (SDP)* program to migrant households from Venezuela through Decree No. 057 of 2021.** The SDP Program was first established through Decree No. 2413 of 2018 which created as a lease-to-own program. Decree No. 057 of 2021 enhances the SDP Program to enable the provision of housing rental subsidies to low-middle income families for the rental of resilient, safe, and affordable housing solutions.⁷⁷ The expansion of the Program eligibility to migrants supported under this Prior Action creates a rental subsidy sub-program under the framework of the SDP Program targeted to migrant households that also helps to mitigate their disproportionate vulnerability to climate and disaster risks. The SDP program grants access to housing that is more climate-resilient (through physical improvements to reduce impacts of floods and landslides), safe, and affordable in areas with an updated territorial development plan (POT) that integrates specific climate hazard and risk studies. In addition to physical improvements to the climate resilience of housing, by determining POT as a prerequisite, the SDP Program will significantly increase migrants' resilience and adaptation to climate change by prioritizing investments in locations that are less vulnerable to climate and disaster risks. Further, recognizing that female-headed households are one of the most vulnerable groups within the migrant population, the program includes female-headed households as a primary criterion to select beneficiaries for the rental subsidy program. Importantly, this DPF supports reforms to the National Rental Housing Program that will contribute to narrowing a gender gap in access to housing by ensuring that women migrants who are heads of household will be overrepresented among the beneficiaries of the rental subsidy. Indeed, at least 30 percent of the beneficiary households are expected to be migrant female-headed households.

87. **A detailed eligibility criteria and institutional framework has been developed to ensure the effective implementation of the rental subsidy program under SDP targeting highly vulnerable migrants from Venezuela.** Specifically, key characteristics of the Program design include:

- Eligible Program beneficiaries will be migrants from Venezuela who can present any official ID document recognized by the GoC.
- Eligible beneficiaries will be households earning less than two (2) minimum wages or COP1,817,052 (an estimated US\$491 per month), accompanied by proof of income and vulnerability.
- Household prioritization will be defined by the *Ministry of Housing, City and Territory (MVCT)*, and municipalities, using databases recognized by the GoC.
- The minimum monthly subsidy amount per migrant household will be approximately US\$96, for a maximum of twelve (12) months.
- The National Housing Fund (*Fonvivienda*) will be responsible for Program implementation, including ensuring the supply of adequate housing units for rent and will analyze the demand for

⁷⁷ For the monthly rental payment, the GoC provides a subsidy corresponding to 70 percent of the amount, with the beneficiary household contributing the remaining 30 percent. For households interested in owning the dwelling unit, 60 percent of its total accumulated rental payments could be used as part of the down payment to obtain a mortgage loan.



rental subsidies. Climate-resilient measures are included in the eligibility criteria for rental units subject to support under the SDP Program. Specifically, these provisions, reflected in the Operational Manual of the CDVD and SDP programs, include provisions to: (i) finance rental subsidies for units that are located in areas not subject to climate hazards and are adapted to floods, landslides, and other climate risks deemed structurally sound; (ii) invest in areas where hazardous conditions and climate risk do not prevent the use of the land for urban development; (iii) preserve environmentally protected areas; (iv) invest in areas with access to public services; and (v) invest in areas with roads and other basic infrastructure.⁷⁸

- Prioritized municipalities can present eligible areas (polygons) for verification of the supply of housing units suitable for rent.
- MVCT will determine the registration process for the housing units according to the requirements of the program.
- The disbursement of the subsidy will be made to the real state manager (*gestor inmobiliarios*) and could be 100 percent of the rental payment.⁷⁹

Expected results

88. **Between June 2021 and June 2023, a minimum of 7,500 migrant households are expected to become beneficiaries of the SDP program.** Of these beneficiary households, 2,250 beneficiaries are expected to be women-headed households in which at least one household member is a migrant, reducing climate and socioeconomic vulnerabilities for their household members, particularly for women and girls. For these direct beneficiaries, it is expected that the Prior Action will benefit from enhanced access to resilient, safe, and affordable housing, thereby improving living conditions, reducing climate vulnerabilities, and facilitating social inclusion in host areas. Further, the Prior Action will enable potential future increases in the scale of government and external assistance for rental assistance as the program demonstrates effectiveness and additional resources are made available. It is important to note that the rental subsidy program is intended to run through 2026, increasing the potential to further benefit migrants beyond the target set for 2023. This rental subsidy program has the further potential to serve as a leading benchmark practice on facilitating medium-term access to safe, climate-resilient, and affordable housing for migrants in countries facing cross-border migration challenges in the region and globally.

⁷⁸ The CDVD and SP programs are developed in areas with a territorial plan (POT) that includes specific hazard and risk studies, such as: (a) floods, flashfloods and landslides hazard maps and other climate risk information; (b) delimitation of areas where high risk can or cannot be mitigated; and (c) measures to set restrictions and determine urban use regulations (i.e. urban growth, density, and city boundaries, among others).

⁷⁹ The rental subsidy program includes a detailed mechanism for the verification and auditing of practices under the program, including the function of the *gestor inmobiliario*.



Table 5: DPF Prior Actions and Analytical Underpinnings

Prior Actions	Analytical Underpinnings
Operation Pillar 1: Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas	
<p>Prior Action #1</p> <p>Temporary Protection Status and Integrated Migratory Policy</p>	<ul style="list-style-type: none"> World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. DNP (2018). <i>Estrategia para la atención de la migración desde Venezuela</i>. CONPES Report No. 3950. Presidency of Colombia. 2020. Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela. Bogotá, Colombia. <i>La Imprenta Editores</i>. ISBN 978-958-18-0474-0. De Victor, X. (2016) <i>Forcibly Displaced: Toward a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts</i>. The World Bank. <p>International experience shows that the impact of migration on receiving countries is tied directly to the regularization of migration status and the rights and obligations of migrants. For this reason, Colombia should provide migrants wishing to remain in the country with regular migration status and valid documentation that allows access to basic services. This should provide for the establishment of predictable terms and conditions of stay and should allow migrants to become fully integrated into the national economy, access education, health, and other public services, as appropriate, and become socially integrated. The regularization of the migrant population with instruments for the long-term and predictable conditions will help mitigate short-term impacts on most sectors and create benefits over the medium term. Regularizing the status of migrants will help alleviate a multitude of pressures affecting service delivery. Regularization will encompass measures such as health coverage, the optimization of migrants' human capital, and their integration into the labor market. This will, in turn, facilitate their participation in the contributory system, and boost investment, consumption, and tax contributions.</p>
<p>Prior Action #2</p> <p>Single Registry of Venezuelan Migrants and Migration Statistical Roundtables</p>	<ul style="list-style-type: none"> World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. DNP (2018). <i>Estrategia para la atención de la migración desde Venezuela</i>. CONPES Report No. 3950. Presidency of Colombia. 2020. Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela. Bogotá, Colombia. <i>La Imprenta Editores</i>. ISBN 978-958-18-0474-0.
<p>Prior Action #3. Subnational contingent lines of credit as financial protection against disasters.</p>	<ul style="list-style-type: none"> World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. DNP (2014). <i>Prosperidad para las fronteras de Colombia</i>. CONPES Report No. 3805. DNP (2018). <i>Estrategia para la atención de la migración desde</i>



	<p>Venezuela. CONPES Report No. 3950.</p> <ul style="list-style-type: none"> • BID, Más allá de las fronteras: nuevo regionalismo en América Latina, 2002. • DNP, <i>Colombia y sus fronteras: políticas de frontera, caracterización regional socioeconómica comparada por países y departamentos fronterizos</i>, DDT, Documentos para el Desarrollo Territorial No. 42, julio, 2001. • Presidency of Colombia. 2020. Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela. Bogotá, Colombia. <i>La Imprenta Editores</i>. ISBN 978-958-18-0474-0.
<p>Prior Action #4. Migration roundtables</p>	<ul style="list-style-type: none"> • World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. • Presidency of Colombia. 2020. Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela. Bogotá, Colombia. <i>La Imprenta Editores</i>. ISBN 978-958-18-0474-0. • De Victor, X. (2016) Forcibly Displaced: Toward a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts. The World Bank. <p>Migration policies require the coordination of national, departmental, and local actions and have implications on multiple fronts—from border control to the provision of sectoral services and from national security to fiscal decisions. Enhancing the effective implementation of the migration policy requires a scaled-up response from the entire Government through close coordination of efforts via an entity vested with the authority and resources to ensure its coherence and complementarity. International experience suggests that a coordination entity must work through the relevant line ministries and government agencies to facilitate incorporation of the migration issue across the administration.</p>
<p>Operation Pillar 2: improved access to and quality of services for migrants</p>	
<p>Prior Action #5. Eligibility to COVID-19 vaccines</p>	<ul style="list-style-type: none"> • World Bank, 2020. <i>Saving lives, scaling-up impacts and getting back on track</i>. World Bank Group COVID-19 Crisis Response Approach Paper. • World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. • Presidency of Colombia. 2020. Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela. Bogotá, Colombia. <i>La Imprenta Editores</i>. ISBN 978-958-18-0474-0. <p>Safeguarding global public health requires boosting capacity to stem the spread of the virus everywhere – including in fragile settings and refugee communities. As health interventions ramp up across developing countries, urgent action is needed to prevent and address the devastating impacts of COVID-19 on households, livelihoods, and communities. A highly diverse range of poor and vulnerable households – including migrants, refugees, and internally displaced populations, – urgently need assistance, by including them in prevention and mitigation approaches, contributing to their wellbeing, and the host community's public health.</p>



Prior Action #6.

Eligibility to the National Rental Housing Program “Semillero de Propietarios”

- Franklin, 2020. Enabled to Work: The Impact of Government Housing on Slum Dwellers in South Africa.
- *Vivienda Digna para Todos*, World Bank, 2019.
- World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank.
- Presidency of Colombia. 2020. Welcome, Integrate and Grow: Colombia’s policies regarding migration from Venezuela. Bogotá, Colombia. *La Imprenta Editores*. ISBN 978-958-18-0474-0.
- De Victor, X. (2016) Forcibly Displaced: Toward a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts. The World Bank.

The economic precariousness that forces Venezuelans to migrate, exposes them to precarious housing conditions, including homelessness. Consequently, the establishment of temporary housing in border receiving areas is recommended, working hand in hand with humanitarian organizations, NGOs, and the private sector. The option of implementing temporary rental solutions (such as subsidies) should also be considered to provide families with decent living conditions. In addition to mitigating the vulnerability of migrants, this measure will allow municipal governments to control the problem of illegal invasion in at-risk and public health zones.

4.3. LINK TO CPF, OTHER BANK OPERATIONS AND THE WBG STRATEGY

89. **The proposed operation is aligned with the Country Partnership Framework (CPF) 2016-2021 for Colombia⁸⁰ and the Performance and Learning Review of April 23, 2019.** Specifically, the operation is aligned with *CPF Pillar 1: Fostering Balanced Territorial Development* through proposed support for measures that strengthen the financial capacity of border and host areas disproportionately impacted by the influx of migrants from Venezuela. Additionally, the proposed DPF operation is aligned with *CPF Pillar 2: Enhancing Social Inclusion and Mobility through Improved Service Delivery* through support for a series of measures that expand access to social, protective and economic services to migrants from Venezuela. The DPF is fully aligned with the approach set out in the World Bank Group’s paper ‘World Bank Group COVID-19 Crisis Response Approach Paper – Saving Lives, Scaling-Up Impact and Getting Back on Track’. Specifically, policies and programs supported under this DPF are consistent with Pillars 2 (Protecting Poor and Vulnerable People) and Pillar 4 (Strengthening Policies, Institutions and Investments for Rebuilding Better) of the Approach Paper. Finally, the operation is also aligned with the Green, Resilient and Inclusive Development (GRID) approach paper, particularly in its Pillar 1 (saving lives) by granting access to Venezuelan migrants to COVID-19 vaccines, and in its Pillar 2, by promoting the equity and inclusion of Venezuelans into the economic recovery of the country, through their regularization.

90. **Further, the proposed DPF is aligned with the World Bank Group Strategy for Fragility, Conflict and Violence 2020–2025 presented to the World Bank Board of Directors on February 25, 2020.** Specifically, the proposed operation is aligned with the FCV Strategy pillar on engagement on mitigating the spillover effects by addressing cross-border crises such as forced displacement shocks. Venezuela is

⁸⁰ <http://documentos.bancomundial.org/curated/es/940691468184792587/pdf/101552-CPF-P155964-R2016-0053-IFC-R2016-0054-MIGA-R2016-0014-Box394872B-OUO-9.pdf>



amongst the most fragile countries in the world. In addition, the shift from short-term urgent responses to a medium- and long-term integration of irregular migrants in Colombia is consistent with the World Bank's approach to forced displacement, which emphasizes the socioeconomic integration of refugees while also meeting the development needs of host communities.

91. **The proposed operation builds on a progressive deepening of World Bank analytical and operational support to the Government's policy framework for the social and economic integration migrants.** Earlier World Bank support included the 2018 report "Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy"⁸¹, which laid out a comprehensive policy framework focused on the social and economic inclusion of migrants from Venezuela. The Bank subsequently facilitated the entry of Colombia into the Global Concessional Financing Facility (GCFF) in January 2019 – the first country in Latin America to become eligible for GCFF support. To date, the World Bank Board has approved four operations which have leveraged a total of US\$90.9 million in GCFF concessional financing: (i) the US\$750 million Second Fiscal Sustainability, Competitiveness, and Migration Development Policy Financing (P162858) operation in May 2019, which supported the CONPES Report No. 3950 framework policy towards the social and economic integration of migrants and the issuance of the PEP temporary registration status; (ii) the US\$187.6 million Improving Quality of Health Care Services and Efficiency of the Colombian Health System project (P169866) in March, 2020 which supported approval of measures to affiliate migrants from Venezuela with PEP status into the public health insurance system; (iii) the US\$136.8 million Resilient Housing project that includes dedicated housing support for migrants (P172535); and (iv) the US\$3.2 million COVID-19 Response for Migrants from Venezuela and Host communities project (P175111), which provides unconditional cash transfers to approximately 17,000 households affected by the COVID-19 pandemic, of which 90 percent are Venezuelan. Lastly, the Bank has maintained an active technical and small grants program that includes over US\$1.5 million in technical assistance.

Box 2. Lessons Learned from World Bank Responses to Refugee and Mixed-Migration Situations

Although this is the first DPF financed by the World Bank that focuses exclusively on policies that facilitate the social and economic integration of a refugee-like population, there are several lessons that this operation has incorporated, including:

- The importance of the World Bank having conducted analytical work that describes migration factors linked to constraints to economic opportunities, self-reliance, and resilience for both the forcibly displaced and their host communities
- Targeting has a time dimension. Separate evaluations in Azerbaijan, the Central African Republic, Haiti, and Lebanon reinforced that interventions often target either emergency or long-term responses and that the failure to link the two can entrench poor economic outcomes
- The World Bank will ensure expertise so we can effectively operationalize the World Bank Group's development approach, by engaging governments in complex policy dialogue, pushing for contextualized, and medium-term programming for refugees and host communities
- In contexts of forced displacement and mixed migration, interventions should target differentiated groups based on categories such as, gender, ethnicity, and rural and urban spaces. For example, the

⁸¹ World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank



Social Safety Net evaluation in Colombia identified that further efforts were needed to target interventions that “glue” displaced and local communities together to improve project performance (World Bank 2018)

- Identifying the spatial dimensions of migration helps identify risks and opportunities. The forcibly displaced and migrants often face risks as they reside in precarious areas, are unaware of the history of the space (for example, flooding), and lack access to supportive networks during emergencies.

4.4. CONSULTATIONS AND COLLABORATION WITH DEVELOPMENT PARTNERS

92. **Since the onset of the Venezuelan exodus, the GoC has engaged with civil society, humanitarian agencies, development partners and the international community for the coordination of response efforts.** One of the main priorities for the National Government has been to coordinate all actors in the country to harmonize international cooperation and humanitarian assistance according to standards of service defined by the competent national and local institutions. As part of the response strategy, the Government established in 2018 the Inter-Institutional Unit for International Cooperation for the migration crisis. The Inter-Institutional Unit is permanently composed of the Presidency of the Republic, the Ministry of Foreign Affairs and the Presidential Agency for International Cooperation (APC) in charge of the coordination with different cooperation actors. The Inter-Institutional Unit has served as a space to define needs and priorities in collaboration with critical sector institutions and agencies including *Migración Colombia*, Ministry of Education, Ministry of Health and Social Protection, Family Welfare, National Disaster Risk Management Unit (UNGRD), National Registry, departmental governments and municipal administrations, among others.

93. **Coordination with UN agencies at the national and local levels has also been a key element for an efficient and effective response.** The UN established a coordination platform and interagency group on mixed immigration flows (GIFMM) to ensure improved coordination to respond to migration from Venezuela. The Group operates under the joint leadership of the Office of the Resident Coordinator, IOM and UNHCR, and coordinates the actions of 17 UN agencies, 6 Red Cross movements and 48 NGOs, with a total of 71 members as of June 2020. At the local level, local GIFMMs coordinate with departmental and municipal authorities within the framework of the Migration Roundtables and other coordination mechanisms. A total of eight local GIFMMs operate in Antioquia, Arauca, Atlántico (covering Magdalena and Bolívar), Bogotá (covering Cundinamarca), La Guajira (covering César), Nariño, Norte de Santander (covering Santander) and Valle del Cauca.

94. **The Government’s Strategy for the Attention to the Migration from Venezuela (CONPES Report No. 3950 of 2018) was formulated in a collaborative manner with the participation of the World Bank.** The National Planning Department (DNP) led a consultation process with key agencies to produce the strategy. The development of this CONPES benefited from World Bank engagement with DNP and the Presidential Border Management Office (*Gerencia de Frontera*) throughout the formulation process, including the definition of priorities, cost estimation and outcome indicators. The close collaboration between the World Bank and the Government agencies has allowed the DPF preparation to be aligned with the Government program priorities maximizing its potential impact.

95. **Legislative, regulatory, and administrative acts supported by this operation are required by law to incorporate a process of citizen participation and consultation.** Government policies for public



consultation require that all laws, decrees, regulations, resolutions and policies – including those supported by this operation – undergo formal periods of public consultation. All national laws are subject to citizen participation through the Coordinating Unit for Citizen Participation, which channels all comments and opinions on laws under debate. In the case of presidential or ministerial decrees, 15 days prior to submission for signature, the proposed decree or resolution is published on the website of the responsible agency, which is mandated to elaborate a report indicating the comments received from the public. The preparation of the specific PAs considered under this DPF has relied on these arrangements for prior public disclosure and consultations.⁸²

96. **Through these mechanisms, key stakeholders in the country have been consulted.** Colombia has a robust and inclusive legal Given that the policy reforms considered under this DPL do not affect directly ethnic minorities as defined by the Constitutional Court,⁸³ the consultation process of all reforms followed the process of citizen consultation as defined by the Colombian Law.⁸⁴ The preparation of all policy reforms to be supported under the proposed DPF reflects a dedicated consultation process with the GoC, and with key public, private and civic stakeholders. As such, and through government systems, this operation benefited from a broad consultation process with key stakeholders, including National, Departmental and Municipal governments, donors and UN agencies, universities, citizens-at-large, Venezuelans in Colombia, and Indigenous Peoples (IPs) organizations, among others. The consultation processes for measures supported under this operation have resulted in specific amendments prior to approval. For example, the National Vaccination Plan supported under this operation adopted a differentiated approach for vulnerable populations, including migrants, based on comments received from stakeholders in the consultation process. For any unforeseen impacts of these measures, there are institutional arrangements in place that could serve as a vehicle for identification and response. Local migration roundtables could indeed be used for this purpose as they articulated with indigenous governance structures in the departments and municipalities in which IPs are located.

97. **Further, the Bank conducted specific consultations with relevant Government institutions for each of the explored areas and with the DNP as the technical leader of the Government.** Specifically, consultations were held with the Presidential Border Management Office (*Gerencia de Frontera*), the Ministry of Finance and Public Credit, the National Planning Department, the Ministry of Foreign Affairs,

⁸² Consultation processes for specific PAs are summarized in public reports. For example, the consultation process for the Decree through which the TPS was adopted, received 305 comments from 296 citizens and organizations. Similarly, the National Vaccination Plan received a total of 430 comments, of which 154 were accepted.

⁸³ The Constitutional Court has clarified that prior consultation with ethnic minorities is required when: (i) the social, spiritual, cultural, health and occupational structures of the group are affected; (ii) there is an impact in their sources of income located within the ethnic territory; (iii) it affects the possibility for them to undertake their economic activities from which they perceive an income; (iv) there is a resettlement of indigenous peoples to another part of their territory; (v) when the policy, plan or project affects any tribal or indigenous rights; (vi) when the policy aims to implement the OIT's Convention No. 169; (vii) there are responsibilities or benefits attributed to a community in such a way that it modifies their situation or legal position; and/or (viii) impact in the elements that define their ethnic identity.

⁸⁴ Prior consultation is a fundamental right of ethnic minorities that public entities must advance whenever there is "reasonable evidence that a measure will affect directly an indigenous group or an afro-descendent community". As such, not all administrative acts should undergo prior consultations. For the specific measures considered by this DPL, there is no evidence that indicates negative affectations to indigenous peoples or other ethnic minorities derive from these policies will take place, as evidence by the ESF and PSIA analyses. Further analytical work undertook WB in 2018 -which included consultations with indigenous communities in the border areas, including Wayuu indigenous communities and leaders in La Guajira, and Yukpa communities in Norte de Santander; and by IOM in 2020 support the ESF and PSIA assessments.



Migración Colombia, the Ministry of Health and Social Protection, the Ministry of National Education, the Ministry of Housing, Cities and Territories, the Colombian Institute for Family Welfare, *Banca de Oportunidades*, and the Ministry of Labor. During these meetings, potential policy reforms were discussed in terms of their impact, technical soundness, priority within the Government strategy, and the likelihood of completion within the estimated timeline.

98. **Through this operation, the Bank has further intensified its close dialogue and collaboration with development partners in Colombia, particularly with the Inter-American Development Bank (IADB).** The Bank maintains an active dialogue with the IADB on institutional, policy and investment support to the GoC on migration. Specifically, the IADB will deliver to its Board a parallel policy-based operation and the policy content of the two operations has been developed jointly. Furthermore, the IADB has joined the Global Concessional Financing Facility (GCFF) as an implementing agency. Beyond this operation, in the Bank and IADB teams are coordinating the implementation of parallel operations in the housing sector which include a specific focus on addressing the housing deficit of migrants and host communities.

99. **The operation will benefit from an approximate US\$26.4 million in concessional financing support from the GCFF.** This facility is a partnership sponsored by the World Bank, the UN, and the Islamic Development Bank Group aimed at mobilizing the international community to address the financing needs of middle-income countries hosting large numbers of refugees. By combining donor contributions with multilateral bank loans, the GCFF enables eligible middle-income countries that are facing refugee crises to borrow at below regular multilateral development bank rates for providing a global public good. The GCFF was established in the context of the Syrian refugee crisis as a coordinated response by the international community, bridging the gap between humanitarian and development assistance and enhancing the coordination among the UN, donors, multilateral development banks, and benefitting host countries. The GCFF is currently supported by Canada, Denmark, the European Commission, Germany, Japan, Netherlands, Norway, Sweden, the United Kingdom, and the United States.

5. OTHER DESIGN AND APPRAISAL ISSUES

5.1. POVERTY AND SOCIAL IMPACT

100. **This DPF supports actions that are expected to have positive direct effects on reducing poverty and inequalities in the short, medium, and long term, from an increase in the economic and social integration of Venezuelan migrants.** A more detailed analysis of the expected impacts is presented in Annex 6. Through an enhanced regulatory framework for the integration of migrants and increased access to services and economic opportunities, reforms under this program are expected to have direct positive implications for the wellbeing of this population.

101. **Actions under Pillar 1 of the operation enhance the regulatory and institutional framework for increased and more sustainable support to the Venezuelan migrant population, improving conditions for their social and economic integration and contributing to promoting equality and reducing poverty.** By offering migrants a regular status with a longer-term prospect, Prior Action 1 is expected to increase their access to opportunities and incentivize investments (human capital or otherwise) that can have long-



term economic benefits for Colombia. Migrants that have been issued TPS can work formally and access services - including sexual and reproductive health services that can benefit populations with high health risks, such as pregnant women - contributing to reducing their high level of vulnerability and increasing their opportunities to improve their living standards. The evidence shows that Venezuelan migrants are overrepresented among the poor in Colombia. They concentrate disproportionately in poor areas and have been harder hit by the economic impacts of the COVID-19 crisis due to their high level of informality and lower pre-crisis earnings in the sectors in which they work. Vulnerability is higher among women – access to jobs for female migrants was lower than for non-migrants, and they were overrepresented among the unemployed and underemployed. The situation of vulnerability, even pre-pandemic, is dire for irregular migrants, who are expected to directly benefit from this measure. They are consistently worse-off than regular migrants as they face obstacles to eligibility for social programs and lack protection under the health insurance system. Irregular migrants include vulnerable populations needing targeted support. Also, irregular immigrants have lower-quality jobs, principally employed in informal and self-employed sectors. This heightened vulnerability of irregular migrants, linked to a lack of access to services and to better jobs, is expected to decline in the short- and medium- terms from the measure supported in Prior Action 1. This Prior Action also aims to strengthen institutional roles and responsibilities to prevent racism, xenophobia, and other discriminatory behaviors that could limit the social and economic integration of migrants. As of August 2021, 61 percent of Colombians surveyed by INVAMER disagreed with the national Government welcoming Venezuelan migrants who arrive in Colombia, and up to 65 percent reported having a negative opinion about Venezuelan migrants residing in the country.⁸⁵

102. Prior Action 2 is expected to contribute to better decision-making by increasing data availability about the needs and socio-demographic characteristics of migrants. This will entail periodical updates, improved representativeness, and enhanced interoperability across databases. Improved data availability can contribute to making informed decisions related to resource allocation, targeting and monitoring. Furthermore, it can help the government quickly adapt to changing circumstances and reach the people in most need of assistance.

103. Prior Actions 3 and 4 strengthen the institutional arrangements for a more coordinated and effective response. These measures reach both the national and subnational levels and are expected to lead to better support to the migrant population. Prior Action 3 is expected to reduce Venezuelan migrants' vulnerabilities – who count on few coping mechanisms – and protect them and host communities from losses that could push them into or keep them in poverty by enhancing local territories' capacities and resources in the event of national disasters. Prior Action 4, by strengthening local coordination and policy, helping address pressures in the provision of services and in markets in these locations, that if left unattended, may lead to social tensions or fuel discriminatory and xenophobic behaviors. Beyond the impact that this coordinated response can have on tackling the abovementioned vulnerabilities of the Venezuelan migrant population, this more coordinated response can also contribute to better identifying and managing the pressures that the migratory flows pose on host communities, including its social implications. For instance, it is critical to address potential short-term negative welfare effects of immigration on host communities.⁸⁶

⁸⁵ Invamer Gallup-Poll, August 2021.

⁸⁶ For instance, Caruso, Gómez and Mueller (2019) found that increasing the supply of immigrant labor by 1 percentage point reduces informal sector wages by 10 percentage points in urban areas, affecting mostly men in low-skilled jobs.



104. **Measures supported by Pillar 2 are expected to have direct short-to-medium-term positive impacts by increasing access to specific services and economic opportunities and reduce vulnerabilities of migrant households.** Prior Actions 5 and 6 are expected to promote the accumulation of human capital and physical assets among migrant women and men — thereby increasing their income-generating ability, reducing poverty and enhancing equality. Prior Action 5 provides equitable access to the COVID-19 vaccine for the migrant population, reducing vulnerability to the pandemic for a population that has systematically had lower access to the health system, e.g., 30.8 percent of Venezuelan migrants do not receive health insurance benefits, compared to 94.4 percent for the rest of the population. Through access to the national housing subsidies programs, Prior Action 6 is expected to improve housing conditions, including for safe housing in the face of hazardous conditions and climate risks, for a population that faces challenges in accessing quality housing. Venezuelan migrants are more likely to rent (77 percent versus 36 percent among non-migrants), which could also make them more vulnerable in situations of irregular status.⁸⁷ Beyond the overall benefits of improved housing conditions, this measure can improve access to proper facilities for women and girls, including water and sanitation, thereby reducing the risk of gender-based violence associated with the lack of privacy and protection in temporary or irregular settlements.

5.2. ENVIRONMENTAL, FORESTS AND OTHER NATURAL RESOURCE ASPECTS

105. **Consistent with OP 8.60, a general environmental analysis was carried out to assess if the proposed DPF is likely to cause significant adverse or positive effects on the environment, forest, and natural resources.** The assessment was based on a secondary data review of the program, including the description of each Prior Action, evidence from the literature, and legal evidence.

106. **The environmental analysis found that Prior Actions 3 and 6 supported by the proposed DPF have potential positive indirect effects on the Republic of Colombia's environment, forests and natural resources.** Prior Action 3 may allow territorial entities to respond on time to disasters such as fires, hurricanes, flooding, spills of pollutants on soil, air, and water, all of them with the potential to degrade the vegetative cover, forests and fauna, and displacement of natural habitats, and will promote the development of financial instruments for environmentally sustainable projects. The policy actions under Prior Action 6 expands eligibility for rental housing subsidies to Venezuelan migrants, contributing to the potential minimization of environmental issues related to informal housing such as pollution of natural water bodies, pollution of soil, loss of vegetal cover, air pollution, displacement of natural habits, and deforestation, understanding that the parallel Resilient and Inclusive Housing Project will include the environmental requirements and criteria to avoid environmental impacts, such as the criteria to select beneficiaries: the properties are not located in areas with high non-mitigable risk, in areas of protection of natural resources, in reserve areas for public works, and in areas not suitable for locating housing following the Territorial Organization Plans.

107. **Similarly, low potential environmental negative impacts have been identified for Prior Action 5. Key mitigation measures and recommendations include:** Under Pillar 2, the eligibility of Venezuelan migrants to COVID-19 vaccines under the National Vaccination Plan against COVID-19 of Prior Action 5 may minimally increase the amount of hospital waste to be generated from vaccination activities. As a

⁸⁷ World Bank (2018) *Migración desde Colombia a Venezuela. Impactos y estrategias de respuesta en el corto y mediano plazo*.



mitigation measure, the MSPS⁸⁸ issued the *Operational technical guidelines for the administration of vaccines against COVID-19*, and it includes vaccination activities for the migrant population. Also, the government of Colombia has out control institutions and instruments in place to ensure adequate management of hospital wastes (including waste generation, segregation, labeling, transportation, treatment and disposal guidelines and obligations), such as: (i) Decree No. 351, 2014, of the Ministry of Environment and Sustainable Development (MADS) and MSPS regulating the comprehensive management of waste generated in health care and other activities. The Decree establishes specific surveillance and control responsibilities for both local health authorities (surveillance and control inside health care institutions and medical centers) and local environmental authorities (surveillance and control outside health care institutions and medical centers); and (ii) Decree No. 1076, 2015 of MADS⁸⁹ (Title 6) which includes specific environmental requirements to minimize and prevent hazardous waste generation and to manage hazardous waste to protect human health and the environment. The Decree includes a temporary paragraph in Article 2.2.6.2.3.1, which states that if the amount of hazardous waste with biological or infectious risk generated on the occasion of COVID19⁹⁰ approaches the maximum installed capacity of the authorized managers, the competent environmental authorities may authorize, after temporary modification of the corresponding environmental license, other managers of hazardous waste, to also manage waste with biological or infectious risk, always complying with minimal technical specifications. Special attention to waste management should focus on border areas where potential institutional weakness may be expected regarding hospital waste management, especially in small cities, municipalities, and rural areas. The Government of Colombia should ensure that the local and regional environmental authorities in border areas have the adequate capacity (trained staff and procedures in place) to control the infectious waste collection, store, and disposal in authorized facilities.

108. **For Prior Actions 1, 2, and 4, no potential positive nor negative environmental impacts and risks have been identified.**

109. **The assessment to determine Colombia's environmental management capacity to handle potential effects included a review of Colombia's legal and institutional framework for environmental management.** To address potential environmental negative impacts, the MADS, as the national regulatory entity, must establish inter-ministry agendas with the Ministry of Health and Social Protection, Ministry of Housing, City and Territory, and any other relevant entity within this proposed DPF. The MADS will formulate, implement, and orient environmental policy towards sustainable development. The MADS has adequate institutional capacity to manage environmental provisions and to guarantee the effective fulfillment of the Ministry's mandate and institutional functions.

110. **The areas that involve environmental and social risks and the recommendations were identified as part of the analysis.** A summary for each Prior Action is included in Annex 4.

5.3. PFM, DISBURSEMENT AND AUDITING ASPECTS

111. **Colombia's public financial management (PFM).** A Public Expenditure and Financial

⁸⁸ Ministry of Health and Social Protection as per its acronym in Spanish.

⁸⁹ Ministry of Environment and Sustainable Developments as per its acronym in Spanish.

⁹⁰ If the declaration of the health emergency due to the coronavirus COVID-19 is maintained, according to the Ministry of Health and Social Protection statement.



Accountability Assessment for Colombia finalized in 2016⁹¹ concluded that Colombia's PFM system exhibits reasonable alignment with international good practices at the national government level. The more recent Fiscal Transparency Evaluation completed in 2018 reaches a similar conclusion.⁹² The budget is comprehensive, well documented, and implemented as planned, with actual expenditures deviating in an average of 7.5 percent, from initially planned levels in 2020 and 2019. The National Planning Department applies a multiyear perspective, with a Medium-Term Fiscal and Expenditure Framework in place since 2003, although this instrument has yet to be integrated with the budget process.⁹³ Nonetheless, the budget reflects a mostly well-functioning policy-based system.⁹⁴ Execution of budgeted expenditures suggests an overall credible budget, which is published and accessible on the MHCP website. The Borrower has published its annual budget in a timely fashion.⁹⁵

112. **Fiscal transparency** is generally aligned with good practices except for inconsistent budget classification systems; the incomplete transition to public sector international accounting standards;⁹⁶ and lack of disclosure of internally available information on macroeconomic scenarios, long-term projections, and public corporations. The Government has committed to addressing these weaknesses through a comprehensive reform plan. Revenue and expenditure controls are comprehensive. Records and controls on cash flows, balances, and public debt all support sound fiscal management and provide public institutions with the tools for predicting funding to execute their budgets in an orderly manner.

113. **Consolidated public accounts are prepared within six months after the end of the fiscal year.** They include full information on revenues, expenditures, financial assets, and liabilities. Year-end accrual-based financial statements are issued by the Accountant General and presented by May 15 of the following year to the Controller General for audit purposes. Controller General auditing policies and procedures provide for the application of financial, compliance and performance procedures consistent with national government auditing standards. Audit reports are submitted before July 1 of the following fiscal year to Congress and the President.

114. **Public Procurement.** Colombia has made significant progress over the past years in strengthening the performance of its procurement systems. Procurement is based on the legal framework provided in the Law No. 1150 of 2007, and ruling Decrees, the most recent being Decree No. 1510 of 2013. The Public Procurement Agency, CEE (*Colombia Compra Eficiente*), oversees and leads procurement regulatory

⁹¹ Public Expenditure and Financial Accountability Assessment (PEFA) 2015 of Colombia's Public Financial Management Systems, October 14, 2016

⁹² Colombia Fiscal Transparency Evaluation report (<https://www.imf.org/en/publications/cr/issues/2018/08/02/colombia-fiscal-transparency-evaluation-46148>)

⁹³ CONPES Report No. 4008 of October 26, 2020 "National Information Policy for the PFM" the National Development Plan (PND) 2018-2022

Pact for Colombia, Pact for equity, included the proposal to reengineer the PFM. The conditions provided by the PND are materialized through the two strategic axes of this policy, oriented to the production of information from PFM in quality conditions and harmonized with international references. This, to cover the information needs of the entities (governing or executing agencies); plus, to improve the quality, transparency and efficiency of PFM information in the country. The planned actions have an estimated cost of 135,141 million pesos, which will run from 2020 TO 2029.

⁹⁴ Colombia: Fiscal Transparency Evaluation report; (2018) PEFA 2015, IMF 2012.

⁹⁵ National Decree No. 2411 of December 30, 2019.

⁹⁶ SECO Trust Fund Program for the Strengthening of Public Finance Management will supporting transitional activities in process of agreement with CGN. The Adoption Status of IPSAS in Colombia, July 2017, annex E, calculation of the overall level of accrual alignment according to IPSAS reached 84 percent. (Colombia_Estudio+BIID+EY_status+de+adopción+NICSP.pdf).



reforms. CCE has consolidated its role, and its principal programmatic priorities include the adoption of a more strategic approach to procurement as an essential component of public sector expenditure management; the universalization of the use of the transactional electronic procurement system SECOP II (according to the *Informe de Gestion Institucional 2020* of CCE - the target, for 2020, was to have transactions for 40 billion of Colombian pesos; in 2019, transactions for 24.15 billion were processed and 57.74 billion in 2020); and *professionalizing* the procurement staff. The current principal priority of CCE is the promotion of the use of Standard Procurement Documents (SPD). In April 2019, the first kit of SPD, in this case for roads, was launched, its use is mandatory, and so far, results have been very positive. The Congress of Colombia recently approved the Procurement Documents Law, Law No. 2022 of 2020, which mandates that CCE will also adopt Standard Bidding Documents (SBD) which will be mandatory in the contractual activity of all entities subject to the General Contracting Statute of the Public Administration.

115. **Foreign exchange control environment.** Fiduciary due diligence was conducted to cover the Government's bank account at Citibank N.Y., used for depositing the proceeds of the DPF operations over the last two years. The external audit of the Consolidated Financial Statements of Citigroup Inc. and Subsidiaries for 2019-2020 had an unmodified opinion, and the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, was confirmed, this financial institution Citibank N.Y., is acceptable to the Bank. The due diligence did not reveal any fiduciary risks to the development objectives. The fiduciary due diligence, therefore, concluded that the FOREX internal control environment does not pose risks to the development objectives of this operation.

116. **The proposed financing will follow the World Bank's standard disbursement procedures for development policy support.** The operation will benefit from a GCFF non-reimbursable concessional financing (US\$26,4 million) to support the social and economic integration of migrants in host communities. The financing amount should be disbursed on a *pari passu* basis at a 95 :5 ratio (Loan and the Concessional Financing). Upon approval of the operation, the effectiveness of the Financing Agreement, and the submission of a signed withdrawal application, the proceeds of the financing will be disbursed into an account denominated in U.S. dollars at a commercial bank, controlled by the National Treasury and part of the Government's foreign exchange reserves, acceptable to the WB for subsequent credit of the equivalent amount in Colombian pesos into the Treasury Single Account of the MHCP, thus becoming available to finance budgeted expenditures. The Borrower shall, within thirty (30) days after the withdrawal of the Financing report to IBRD: (a) the exact sum received into the FOREX account in the Citibank N.Y./Central Bank; (b) the details of the account to which the Colombian pesos equivalent of the Loan proceeds have been credited; and (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems. This confirmation will include the applied rate of exchange and the date of transfer. The financial support provided under this operation is not intended to finance goods or services on the list of "Excluded Expenditures."⁹⁷ If any portion of the funds is used to finance ineligible expenditures as so defined in the Financing Agreement, the WB shall require the Borrower to refund the amount and such payments made for excluded expenditures would be canceled.

5.4. MONITORING, EVALUATION AND ACCOUNTABILITY

117. **The Ministry of Finance will be responsible for reporting monitoring information related to**

⁹⁷ See the General Conditions for DPF.



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

118. Program outcomes will be monitored by measuring progress toward the achievement of results indicators included in the policy and results matrix (Annex 1). Monitoring and results indicators will be based primarily on the Single Registry of Venezuelan Migrants (RUMV), the single-window national registry of immigration procedures, and administrative records available at the sub-national and ministerial levels. The RUMV will collect self-reported socioeconomic and living standards data with periodic updates. Through its interoperability with national systems, the RUMV will allow Colombian officials to do a socioeconomic characterization of migrants, and improve targeting mechanisms for prenatal care, free and universal vaccination program for children, social security registration, among others.⁹⁸ While the RUMV is being created, the Government of Colombia has robust experience collecting good quality data on the migrant population, such as the Administrative Registry of Venezuelan Migrants (RAMV), up-to-date administrative records, and the national Geoportal. Other complementary monitoring and evaluation instruments will include the Migratory Pulse led by the National Administrative Department of Statistics (DANE), census data, and representative household surveys. The World Bank will monitor the implementation of the DPF during preparation and through regular supervision missions following the disbursement of the DPF.

119. Grievance redress. Communities and individuals who believe that they are adversely affected by specific country policies supported as Prior Actions or tranche release conditions under a World Bank Development Policy Operation may submit complaints to the responsible country authorities, appropriate local/national grievance redress mechanisms, or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address pertinent concerns. Affected communities and individuals may also submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints to the Inspection Panel may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been allowed to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

⁹⁸ *Migración Colombia*. 2021. Presentation to the World Bank and Inter-American Development Bank. Identification mission. March 17, 2021.



6. SUMMARY OF RISKS AND MITIGATION

120. **The overall risk for the proposed DPF is assessed as Substantial.** While reforms supported by the operation are within the framework of the Government Strategy for Attention to the Migration from Venezuela (CONPES Report No. 3950) – thereby conferring strong ownership across the Government – significant macroeconomic, political and governance, institutional capacity for implementation and sustainability and stakeholder risks persist after mitigation. Climate and disaster risks are not expected to affect the outcome of the project, and Prior Actions will contribute to supporting efforts to increase preparedness and long-term resilience and reduce risk. Although the historical trends indicate that the country is at high exposure to climate and geophysical hazards, the overall risk to the outcome of the project is considered low as the policy reforms supported by the DPF will not be impacted by the Country's vulnerability to climate and disaster risk.

121. **Macroeconomic risks are considered Substantial.** The long-term economic effects of the COVID-19 crisis are still not fully known, and a new strand of SARS-CoV-2 could extend the health emergency and require another round of mass vaccination. First, there is still uncertainty as to whether the COVID-19 crisis has permanently affected both the level and the slope of the potential GDP trend. This has implications for determining the sustainability of macroeconomic policies, and the recovery of employment. Second, although vaccination against COVID-19 in Colombia and in many of Colombia's trading partners is progressing, the emergence of more transmissible variants of the virus poses the risk of breakouts of infections down the road, which could require further lockdown measures, dampen confidence, or require a new vaccination effort, all of which could lead to weaker domestic and external activity. Third, if export receipts, especially from tourism, do not pick up as projected, the correction of the current account deficit could happen through a large depreciation of the Colombian peso. The materialization of these exogenous shocks could directly affect Colombia's short- and medium-term growth prospects and erode Colombia's fiscal capacity to support firms, households, the recovery, and proposed measures for the social and economic inclusion of migrants, but it is not expected to cause the Government to back away from the policies supported by this operation or derail the achievement of its objectives. Ultimately, the strengthening of the fiscal rule and the institution of a fiscal council will anchor policies over the medium term, mitigating the exogenous risks described above. To further mitigate macroeconomic risks, the Government is working closely with international financial institutions to secure fiscal buffers and formulate a balanced reactivation plan for the economy.

122. **Political and Governance risks are considered Substantial.** While Colombia has led the way in implementing exemplary open policies to welcome migrants from Venezuela, many Colombians continue to believe that the effects of this influx are negative for the country – particularly related to perceived adverse impacts on employment and security.⁹⁹ These perceptions are heightened in regions disproportionately impacted by migration. Against this landscape, the political cost of policies and programs for integration could increase if perceptions and sentiments of xenophobia and discrimination towards Venezuelans are not effectively managed. The continuity and successful implementation of the reforms supported in the proposed operation require continued policy reforms, strengthened institutional arrangements and a sustained commitment to downstream implementation of reforms over

⁹⁹ 45 percent among lower income citizens, 51 percent among the middle class, and 55 percent among high income citizens. Encuesta Mundial de Valores Colombia 2017-2020.



the ensuing 24 months. Also, elements introduced by the new Integrated Migration Policy, considered under Prior Action 2, including sanctions to foreigners in Colombia with an irregular migratory status, are subject to institutional guidelines that will be revised or developed in the months after the approval of the Law, carrying some uncertainty with regards to the comprehensiveness and capacity to enforce /implement them. To mitigate these risks, the Government of Colombia is fast-tracking efforts to approve reforms that solidify efforts towards the social and economic integration of migrants. Also, the World Bank will continue to support the Presidential Border Management Office (*Gerencia de Frontera*) and will aim to mobilize additional support for the Ministry of Foreign Affairs and *Migración Colombia*, with a technical assistance program for institutional strengthening, continued regularization, policy development, implementation support, data and analytics and anti-xenophobia campaigns, amongst other items in parallel to the implementation of this DPL. Additionally, social inclusion and cohesion efforts are also embedded in parallel World Bank financed projects, including the Resilient and Inclusive Housing Project (P172535) and the Improving Quality of Health Care Services and Efficiency in Colombia - (P169866). Finally, the Bank will closely observe that the application of sanctions against foreigners is done according to the principles of protection and no-devolution and follows a due process aligned with Colombian law.

123. Institutional Capacity for Implementation and Sustainability risks are considered Substantial. The consolidation and full implementation of the policy program under the framework of the TPS regulation will require broad coordination across government and a continuity of institutional effort over the ensuing 24 months. While the government currently has effective coordination and management mechanisms in place, further formalization of this institutional framework is required. Additionally, sectoral ministries and agencies responsible for key aspects of the policy framework will be challenged to dedicate sufficient and consistent institutional bandwidth to aspects of migration policy given parallel population-wide policy priorities. For example, the Ministry of Health and the Department of Social Protection (DPS) will likely dedicate significant institutional capacity and resources to the rollout of the national COVID-19 vaccination program and on the aggressive rollout of social protection benefits to all Colombians, respectively, which could result in delays in the migrant-focused aspects of the policy program. Mitigation measures led by GoC include: (i) efforts to align the RUMV and the administrative registries managed by key service provision line ministries and agencies (e.g., Health, Education and Social Protection) to ensure interoperability and thereby increasing efficiencies and accelerating access to key services; and (ii) the update of sectoral regulations to extend eligibility of services to TPS holders – specifically in the health, education and social protection sectors. Further, the Bank aims to provide technical assistance to selected sectors through the Responding to the Venezuelan Migration Crisis in Colombia ASA (P170117) and the SPF Colombia: Emergency COVID-19 Response for Migrants and Refugees from Venezuela and Host Communities BETF (P175111), amongst other sources.

124. Overall Integrated Fiduciary risk is considered Low. The analysis of Colombia's PFM system, including public procurement, reveals strengths to support the transparent management of budget resources in a reliable manner, and the identified PFM weaknesses are being addressed through a reform plan and do not pose risks to the achievement of program development objectives (PDO). The internal control environment over FOREX at the Central Bank and the internal control environment at the Citibank NY (if this option is chosen) do not pose risks to the achievement of the PDO. On this basis, no specific audit of the deposit of the credit proceeds will be required, and no additional fiduciary arrangements are



considered necessary.

125. **Social risks are considered Moderate.** The multidimensional vulnerabilities of migrants have made some of them more vulnerable to forced recruitment by criminal organizations and armed groups, as well as to human trafficking and exploitation. COVID-19 has disproportionately affected migrants due to their overrepresentation among the poor and informal workers and their limited capacity to prevent and contain the spread of the virus. Migrant women are at particular risk because they are overrepresented in informal jobs, poor contractual conditions, and increased gender-based and domestic violence. Risks of social conflict are also prevalent due to competition for services and jobs in underdeveloped host areas. The Government of Colombia has led several actions to mitigate and manage these risks by granting immigrants a regular migratory status, access to health services, family welfare and early childhood support services, education, and specialized care for vulnerable populations. In addition to the PEP and TPS regularization measures, the GoC has guaranteed nationality rights to Colombian descendants and to the growing number of children born in Colombia to Venezuelan parents. Access to additional services, including water and sanitation and housing, has also been prioritized, focusing on areas with a higher concentration of migrants.

126. **Stakeholder risks are considered Substantial** given the potential for significant regional pockets of resistance to inclusive migration policies in large cities and border areas with a disproportionate incidence of migrants from Venezuela. Increased episodes of xenophobia against migrants from Venezuela have been recorded in cities with a high incidence of migrants, including Bogotá, Cúcuta, Bucaramanga, Medellín, Arauca, Barranquilla, Cali, Riohacha and Ipiales (IOM, 2020).¹⁰⁰ Although evidence shows that crime has remained unchanged or even decreased in host areas, perceptions persist among host communities that migrants contribute to increasing crime and insecurity. These perceptions could lead to tensions between locals and migrants, eroding social cohesion in host communities. Colombian authorities have proactively launched sensitization campaigns (with support from the World Bank and other development partners) and supported host communities and municipalities most affected by the migration inflows with targeted investments. Recent campaigns, including *'Juntos Más Grandes'* (Bigger Together) provide practical tools to identify and prevent xenophobic behaviors in everyday spaces like schools, workplaces, and social media.

¹⁰⁰ United Nations International Organization of Migration. 2020. World Migration Report. Geneva.



Table 6: Summary Risk Ratings

Risk Categories	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Low
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Low
7. Environment and Social	● Moderate
8. Stakeholders	● Substantial
9. Other	
Overall	● Substantial



ANNEX 1: POLICY AND RESULTS MATRIX

Prior Actions and Triggers	Results		
Prior Actions	Indicator Name	Baseline	Target
<i>Pillar 1: Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas</i>			
<p>Prior Action #1: The Republic of Colombia has established a legal framework for the long term inclusion of migrants and refugees by: (a) approving, through its Ministry of Foreign Affairs, the adoption of Temporary Protection Status (“TPS”) for Venezuelan migrants, as evidenced by Decree No. 216, dated March 1, 2021, and published in the Official Gazette on the same date; and (b) establishing the definitions, principles, and guidelines for the regulation and orientation of its integrated migratory policy, through mechanisms for overall direction, interinstitutional coordination, and strengthening of roles and responsibilities for migratory management, including, inter alia: (i) measures to prevent all forms of racism, xenophobia, and discrimination against migrants and to reduce their vulnerability; (ii) measures for the social and economic integration of migrants in host communities with a differentiated territorial approach; (iii) measures to end statelessness; and (iv) the instances in which international protection will be provided to foreigners, as evidenced by Law No. 2136 dated August 4, 2021, and published in the Official Gazette on the same date.</p>	<p>Results Indicator #1A: Venezuelan migrants, of which women, issued a Temporary Protection Permit.</p> <p>Results Indicator #1B: Venezuelan migrants, of which women, registered in the General System of Social Security in Health (SGSSS).</p> <p>Results indicator #1C: Percentage of Venezuelan migrants, of which women, with PEP/ PPT that have been applied the socioeconomic survey to register in the National System for Identification of Potential Social Program Beneficiaries (SISBEN).</p> <p>Results Indicator #1D: Norms, procedures and/or instruments to guide the Integrated Migratory Policy on the issues of (i) socioeconomic integration of migrants; and (ii) the recognition of the statelessness condition for people born abroad or in Colombia.</p>	<p>0 [2021]</p> <p>313,392 [2021]</p> <p>27% [2021]</p> <p>0 [2021]</p>	<p>1.1 million; 45%-55% [2023]</p> <p>700,000 [2023]; 45%-55% [2023]</p> <p>38% [2023]; 45%-55% [2023]</p> <p>2 [2023]</p>



Prior Actions and Triggers	Results		
<p>Prior Action #2: The Republic of Colombia has approved (i) the creation and regulation of the Single Registry of Venezuelan Migrants (Registro Único de Migrantes Venezolanos - RUMV), to regularize the presence of Venezuelan migrants in the country, and provide them with a Temporary Protection Permit (Permiso por Protección Temporal - PPT) a formal identification document that will allow them access to labor market, social security, health, education, and other government services, paying attention to vulnerable groups' special needs, such as indigenous peoples, children and transgender population; and (ii) the regulations and operational guidelines applicable to the Migration Statistical Roundtable, as evidenced by Decree No. 216 dated March 1, 2021, published in the Official Gazette on the same date; the Resolution No. 0971 dated April 28, 2021 of Migración Colombia's Special Administrative Unit, and DANE's Resolution No. 1372 of November 26, 2020.</p>	<p>Results Indicator #2A: Interoperable data sharing protocol in place between the RUMV and the National System for Identification of Potential Social Program Beneficiaries (SISBEN), the General System of Social Security in Health (SGSSS), the Transactional Affiliation System (SAT), and the Education's Enrollment Integrated System (SIMAT), with data disaggregated by sex.</p>	0 [2021]	1 [2023]
	<p>Results Indicator #2B: Percentage of annual statistical action plans proposed by the Migration Statistical Roundtable successfully implemented.</p>	0 [2021]	90% [2023]
<p>Prior Action #3: The Republic of Colombia has expanded authorizations to the national government for external and internal credit operations, including increasing the ceiling on the guarantees to be issued by the national government in support of debt obligations of other public entities, therefore, allowing territorial entities access to contingent lines of credit to ensure liquidity in the event of a natural disaster; as evidenced by Law No. 2073, dated December 31, 2020 and published in the Official Gazette on the same date.</p>	<p>Results Indicator #3: Financial Program in place to allow territorial entities, including main host areas, to access contingent lines of credit and expanded guarantee ceiling in the event of climate and natural disasters.</p>	0 [2021]	1 [2023]



Prior Actions and Triggers	Results		
<p>Prior Action #4: The Republic of Colombia has presented evidence of the approval of local regulations, through relevant municipalities, for improved coordination, policy making, service delivery and participation in decision making in host areas by creating Migration Roundtables and other coordination mechanisms, as evidenced by Santander's Resolution No. 10032, dated November 10, 2020; Arauca's Decree No. 100, dated November 30, 2020; Vichada's Decree No. 218, dated December 2, 2020; Cartagena's Decree No. 1621, dated December 31, 2020 and complementary Guidelines, published on March 2, 2020; Boyaca's Decree No. 115, dated March 23, 2021; Casanare's Decree No. 087, dated May 13, 2021.</p>	<p>Results Indicator #4: Number of new municipal roundtables created.</p>	<p>0 [2021]</p>	<p>6 [2023]</p>
<p>Pillar 2: Improved Access to and Quality of Services for Migrants</p>			
<p>Prior Action #5: The Republic of Colombia, through the Ministry of Health and Social Protection, has adopted the National Vaccination Plan against COVID-19, through which Venezuelan migrants have been made eligible for vaccination for COVID-19, as evidenced by Decree No. 109 dated January 29, 2021 and published in the Official Gazette on the same date.</p>	<p>Results Indicator #5: Venezuelan migrants, of which women, vaccinated under the National Vaccination Plan Against COVID-19.</p>	<p>8,798 [2021]</p>	<p>1.1 million [2023]; 45%-55% [2023]</p>
<p>Prior Action #6: The Republic of Colombia, through the Ministry of Housing, City and Territory, has expanded the eligibility of the National Rental Housing Program "Semillero de Propietarios" to target migrants from Venezuela, as evidenced by Decree No. 057 dated January 19, 2021, and published in the Official Gazette on the same date.</p>	<p>Results Indicator #6A: Households that include at least one Venezuelan member that have received a rental subsidy under the SDP program.</p>	<p>0 [2021]</p>	<p>7,500[2023]</p>
	<p>Results Indicator #6B: Women-headed households where at least one household member is migrant that have benefited of the <i>Semillero de Propietarios</i> Program.</p>	<p>0 [2021]</p>	<p>2,250 [2023]</p>



ANNEX 2: FUND RELATIONS ANNEX



PRESS RELEASE

PR21/115

**IMF Executive Board Concludes Review of Colombia's
Performance Under the Flexible Credit Line Arrangement**

FOR IMMEDIATE RELEASE

Washington, DC – April 30, 2021: The Executive Board of the International Monetary Fund (IMF) concluded on April 28, 2021 its review of Colombia's qualification for the arrangement under the Flexible Credit Line (FCL) and reaffirmed Colombia's continued qualification to access FCL resources.

The current two-year FCL arrangement for Colombia was approved by the IMF's Executive Board on May 1, 2020 (see [Press Release No. 20/201](#)). Access under the FCL was subsequently raised on September 25, 2020 to an amount equivalent to SDR 12.267 billion or about US\$17.6 billion (see [Press Release No. 20/300](#)) and Colombia made a drawing of SDR 3.75 billion or about US\$5.4 billion in December (see [Press Release No. 20/363](#)). The Colombian authorities stated their intention to treat remaining access under the FCL arrangement as precautionary—an amount equivalent to SDR 8.517 billion (or US\$ 12.2 billion).

Colombia's FCL arrangement was first approved on May 11, 2009 (see [Press Release No. 09/161](#)) and successor arrangements were approved on May 7, 2010 (see [Press Release No. 10/186](#)), May 6, 2011 (see [Press Release No. 11/165](#)), June 24, 2013 (see [Press Release No. 13/229](#)), June 17, 2015 (see [Press Release 15/281](#)), June 15, 2016 (see [Press Release No. 16/279](#)), and May 25, 2018 (see [Press Release No. 18/196](#)).

Following the Executive Board's discussion on Colombia, Ms. Antoinette Sayeh, Deputy Managing Director and Acting Chairman of the Board, made the following statement:

"Colombia's very strong policy frameworks, anchored by a flexible exchange rate, credible inflation targeting-regime, effective financial sector supervision and regulation, and medium-term fiscal framework, continue to serve the country well and have allowed the authorities to deliver a coordinated and timely response to the COVID-19 pandemic. As a result, following the largest recession on record, Colombia's economy is returning to growth with policies well-positioned to support the nascent recovery.

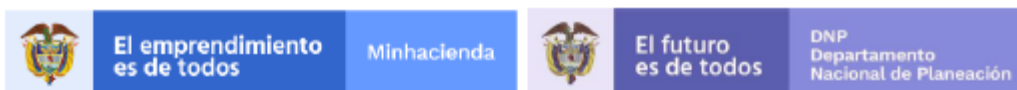
"Colombia remains exposed to elevated external risks given the uncertainty about the path of the pandemic. Delays in the rollout of vaccines worldwide could hamper the domestic recovery through its impact on global demand and oil prices. Tighter global financial conditions could increase borrowing costs and increase rollover risks. In that context, the authorities continue to show their firm commitment to maintaining sound and prudent policies going forward. As such, the authorities have submitted to Congress a comprehensive fiscal reform seeking to raise revenues in a durable and equitable way to safeguard key social spending and public investment, while strengthening the fiscal framework to anchor sound public finances over the medium term. This reform will help to stabilize public debt and place it on a downward trajectory over time, allowing the authorities to rebuild fiscal buffers to secure the resilience of the economy.



"The FCL arrangement makes financing available when needed and continues to provide a cushion of international liquidity that signals the strength of Colombia's fundamentals and its policy frameworks. The authorities have clearly stated their intention to treat the remaining access under the FCL arrangement as precautionary and intend to prepare for a gradual phasing out as the exceptional set of risks in the global economy clearly recede, in line with the temporary nature of the instrument. A careful communication strategy remains important to facilitate a smooth exit from the FCL."



ANNEX 3: LETTER OF DEVELOPMENT POLICY



Bogotá D.C., 30 de septiembre de 2021

Señor:

DAVID MALPASS

Presidente

Grupo Banco Mundial

Bogotá D.C

Asunto: Carta de Política. DPF – Colombia: Social and Economic Integration of Migrants

Estimado Presidente Malpass:

Mediante la presente deseamos reiterar el compromiso irrestricto del Gobierno de Colombia en la protección de los derechos fundamentales de la población migrante y en consolidar una agenda migratoria clara, comprometida y fraterna que de manera inequívoca proteja los derechos humanos de miles de personas que tuvieron que abandonar su país por distintas circunstancias. Estamos plenamente convencidos de la necesidad de ser más activos en la implementación de acciones de política pública concretas y dinámicas para promover la igualdad de condiciones y oportunidades de los migrantes regularizados en Colombia y su incorporación al aparato productivo del país.

El Gobierno nacional ha venido avanzando de manera decidida en el desarrollo e implementación de diversas acciones para promover un crecimiento económico equitativo e inclusivo y un plan de recuperación para promover la reactivación gradual de la economía. La regularización de la población migrante, a través del Estatuto Temporal de Protección a Migrantes, favorecerá la entrada de la población migrante en el mercado laboral y permitirá su inclusión en actividades productivas, lo que a su vez se traducirá en beneficios económicos y de prosperidad para el país.

Aunque esta es la primera operación financiada por el Banco que se centra exclusivamente en políticas que facilitan la integración social y económica de población migrante y refugiada, hay múltiples aspectos que se han incorporado al diseño de esta operación desde el conocimiento que el Banco tiene de nuestro país y su experiencia en la región y en programas similares. El



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Banco ha realizado un trabajo analítico que describe los factores de la migración vinculados a las limitaciones de las oportunidades económicas, la autosuficiencia y la capacidad de recuperación tanto de los desplazados forzosos como de sus comunidades de acogida; también se focaliza en una dimensión temporal comparando respuestas de emergencia en intervenciones de largo plazo en otros contextos, que han resultado útiles en el caso colombiano. Finalmente, la experiencia del Banco en contextos de desplazamiento forzado y migración mixta han contribuido a profundizar el diálogo de política dirigido a grupos diferenciados en función de categorías como género, y espacios rurales o urbanos; por ejemplo, la evaluación de la Red de Seguridad Social en Colombia en 2018, reveló la necesidad de enfocar los esfuerzos para dirigir las intervenciones a las comunidades desplazadas, tanto a nivel central como a nivel local, identificando dimensiones espaciales de la migración que fueron de ayuda para identificar riesgos y oportunidades en el contexto actual del país.

Contexto macroeconómico

Durante décadas y hasta inicios del 2020, Colombia había logrado construir una senda de crecimiento económico, acompañada de una reducción de la pobreza, del desempleo y la informalidad, con criterios responsables de sostenibilidad fiscal. La crisis global originada por la pandemia del COVID-19 impactó fuertemente la economía del país, con efectos importantes en la actividad pública y privada, en respuesta a la cual se implementaron diversas medidas multisectoriales que tuvieron un impacto fiscal importante a nivel de ingresos, gastos y deuda pública en el Gobierno Nacional Central. En consecuencia, en el 2020 Colombia registró un déficit fiscal del 7,8 % del PIB (evidenciando un deterioro de 5,3 puntos porcentuales del PIB respecto de la vigencia fiscal anterior) y unos niveles de pobreza monetaria del 42,5 % y pobreza monetaria extrema del 15,1 %.

No obstante lo anterior, en el año 2021 se han empezado a ver signos de recuperación y reactivación. El Indicador de Seguimiento de la Economía (ISE) registró una tasa de crecimiento anual del 14,5 % a junio de 2021, evidenciando un desempeño positivo de la actividad económica. Adicionalmente, mientras en mayo de 2020 la tasa de desempleo alcanzó niveles del 21,4%, a julio de 2021 se encontraba en el 14,3 %. Por su parte, el Producto Interno Bruto del segundo trimestre del 2021 creció 17,6 % respecto del mismo periodo de 2020, jalonado principalmente por la rama de comercio, transporte y restaurantes (creciendo 40,3% y contribuyendo 6,8 puntos porcentuales al crecimiento del PIB), industrias manufactureras (creciendo 32,5% y contribuyendo 3,8 puntos porcentuales), las actividades artísticas y de entretenimiento (creciendo 83,8% y contribuyendo 2,2 puntos porcentuales) y la administración pública, educación y salud (creciendo 9,0% y contribuyendo 1,4 puntos porcentuales). Por otro lado, el recaudo tributario neto



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acumulado en el periodo enero-agosto 2021 creció el 20,2 % frente al mismo periodo del 2020, y 5,2% frente al mismo periodo del 2019.

Colombia es el receptor más grande de migrantes provenientes de Venezuela. Se estima que a marzo de 2021 unos 1,7 millones de personas llegaron a establecerse en nuestro país. Entre 2015 y 2021 la población migrante en territorio colombiano se multiplicó; mientras en el 2015 había 147.774 inmigrantes de larga duración de varias nacionalidades en Colombia (el 0,3 % de la población total), hoy en día estos representan el 4 % de la población total.

El aumento del total de la población migrante durante 2020 se concentró en la población desempleada e inactiva. Durante el 2020 fueron 175 mil los migrantes que entraron al país; esto representa una disminución considerable en el flujo, teniendo en cuenta que entre 2017 y 2019 entraron en promedio 500 mil migrantes por año. La población migrante total representó el 5 % de la Población Económicamente Activa (PEA) nacional.

La pandemia profundizó y reveló ciertos problemas del mercado laboral colombiano. Al cierre de 2020, la población de migrantes alcanzó un total de 2,1 millones y se espera una pequeña aceleración en el flujo en el 2021, dada la recuperación económica. Siguiendo las proyecciones realizadas por el equipo técnico del Ministerio de Hacienda y Crédito Público, tanto para la población total (PT) como para la población económicamente activa (PEA), se espera que a finales de 2021 se registre un flujo de migrantes nuevos de 658 mil personas. Esto reflejaría una PEA migrante para este año de 1,7 millones de personas.

En 2022 se espera un flujo migratorio inferior al de años anteriores, pero se prevé dar continuidad a las políticas de integración social que seguirían impulsando el crecimiento económico. La regularización de esta población tiene impactos positivos sobre el mercado laboral a través de varios canales: (i) facilita el tránsito de estos trabajadores del sector informal al sector formal, lo que les otorga beneficios en términos de seguridad social; (ii) les permite insertarse en actividades con mayor valor agregado; y (iii) facilita el acceso a empleos que son más acorde a sus habilidades, lo que redundará en mayor productividad.

Se espera que la expansión real de la economía alcance un promedio de 3,7 % durante el periodo 2021-2032. La contracción económica observada en 2020 será sucedida por años de alto crecimiento que permitirán cerrar la brecha del producto, llevando a que el PIB converja a su potencial. Este último estará impulsado por el plan de reactivación, Nuevo Compromiso por el Futuro de Colombia¹, que complementará la acumulación de capital físico y humano por parte del

¹ Documento CONPES 4023 del 11 de febrero de 2021. Política para la reactivación y el crecimiento sostenible e incluyente: Nuevo compromiso por el futuro de Colombia.



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sector privado y la mejor asignación de los migrantes dentro del aparato económico, fruto del Estatuto de Protección al Migrante.

A pesar de los enormes desafíos que enfrenta Colombia en materia de recuperación económica, la voluntad de apoyar a la población migrante y de regularizar su situación en el país para brindarles la posibilidad de tener un acceso mucho más transparente en su relación con el Estado sigue siendo una de las prioridades del Gobierno nacional. Colombia ha cambiado la historia de la política migratoria en América Latina y el mundo, enfrentando el fenómeno del éxodo venezolano bajo la premisa humanitaria, responsable, y fraterna de atención genuina. Con una mirada estratégica, las medidas implementadas buscan mejorar la productividad nacional brindando oportunidades de trabajo y acceso a servicios sociales a toda la población migrante regular que se encuentra en Colombia, transformado esta situación en una oportunidad de crecimiento y desarrollo que aporte al incremento de la productividad, la reactivación económica y la reducción de la pobreza.

Estatuto Temporal de Protección a Migrantes (ETP)

Desde 2015, Colombia ha mantenido su compromiso con políticas abiertas, progresistas, innovadoras e integrales para la integración social y económica de los migrantes venezolanos. La respuesta del Gobierno nacional al éxodo a gran escala desde Venezuela puede caracterizarse a grandes rasgos en tres etapas.

En la primera etapa, aprobamos varias políticas, programas y legislación para responder a las medidas humanitarias de más corto plazo que incluyeron, entre otros: (i) procedimientos excepcionales para facilitar registros de nacimiento de personas nacidas en Venezuela de padres colombianos; (ii) una Tarjeta Migratoria de Tránsito Fronterizo, abriendo cuatro puntos de migración y estaciones de paso; (iii) creación del Permiso Especial de Permanencia (PEP) como mecanismo de regularización en 2017, predecesor del ETP; y (iv) la creación del Grupo Interinstitucional sobre Flujos Migratorios Mixtos (GIFMM), iniciativa liderada conjuntamente por la Organización Internacional de las Migraciones y la Oficina de las Naciones Unidas para los Refugiados, poniendo a disposición una plataforma para apoyar la acción coordinada sobre las necesidades de ayuda humanitaria.

La siguiente etapa de la respuesta comenzó en 2018 y estuvo orientada por el marco de la Estrategia Nacional de Respuesta a la Migración desde Venezuela², la cual establece una serie de acciones críticas en torno a dos ejes: (i) acceso a servicios sociales básicos que garanticen el bienestar de los migrantes y refugiados, al tiempo que se definen responsabilidades y objetivos

² Documento CONPES 3950 del 23 de noviembre de 2018



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institucionales y (ii) mejora de la coordinación institucional, la movilización de las entidades responsables de las áreas críticas de atención, así como la creación de mecanismos de coordinación de la respuesta del país a la migración desde Venezuela. Este documento confirma el compromiso de Colombia de usar estrategias sectoriales para ampliar el acceso a salud, educación, primera infancia, adolescencia, trabajo, vivienda y seguridad para los migrantes de Venezuela y las comunidades de acogida. Entre las medidas más relevantes de esta etapa se encuentran: (i) la creación de la Gerencia de Frontera como la agencia responsable de coordinar la respuesta nacional a la crisis migratoria; (ii) la creación del Registro Único de Trabajadores Extranjeros en Colombia (RUTEC); (iii) el lanzamiento del Permiso Temporal de Tránsito (PTT) y (iv) la aprobación de un régimen tributario especial para las Zonas Económicas y Sociales Especiales (ZESE).

Finalmente, la tercera etapa de la ruta de respuesta inició con la expedición del ETP para los migrantes de Venezuela en marzo de 2021³. El Gobierno prevé un proceso de registro acelerado de los migrantes en 2021 hasta 2023, incluyendo tanto la convergencia de aquellos que están actualmente con estatus PEP, como el estimado de un millón de migrantes actuales sin estatus regular. Un objetivo clave de esta tercera fase es reforzar los objetivos de recuperación ante la crisis generada por el COVID-19. Para esto, el ETP servirá de punto de partida para la elegibilidad y la integración de los migrantes de Venezuela en el mediano plazo en el sistema de seguro médico subsidiado de salud, el sistema de educación formal, el sistema de subsidio a la vivienda, el régimen de protección social y el mercado laboral, entre otros. En fase también se enfoca en la protección de migrantes vulnerables, incluyendo niños y víctimas de tráfico y trata de personas, a través del establecimiento de la Estrategia Nacional para la Lucha Contra la Trata de Personas y la elegibilidad de niños y adolescentes migrantes en situación de vulnerabilidad a los programas de protección social.

De acuerdo con algunas estimaciones, por el ETP se estima que los ingresos fiscales para el período 2021-2030 aumentarán un 2,9 % del PIB de 2021 frente a un escenario sin migración. Somos conscientes que tanto la migración como el estatuto generan costos fiscales en el corto plazo, no obstante, estos traerán consigo beneficios en el mediano y largo plazo. Adicionalmente, diversos estudios independientes confirman el impacto positivo que tiene sobre el crecimiento la regularización de la población migrante como el aumento en los salarios, en la productividad, formalidad y por consiguiente en el crecimiento económico.

³ A través del Decreto 216 del 1° de marzo de 2021, el Gobierno nacional adoptó el Estatuto Temporal de Protección para Migrantes Venezolanos el cual contempla el Registro Único de Migrantes Venezolanos bajo régimen de protección temporal, estatuto que tendrá una vigencia de diez años.



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La regularización a través del ETM favorecerá la entrada de la población migrante en el mercado laboral. Así mismo, tendrá impactos positivos en el mercado laboral, en cuanto se mitigarían los efectos adversos de la entrada irregular sobre el sector informal. En particular, varios estudios han demostrado, como se dijo anteriormente, que la regularización permite que los migrantes puedan acceder a labores acordes a su calificación y, por lo tanto, aumente la fuerza laboral en el mercado formal y calificado. Adicionalmente, los beneficios potenciales de la inclusión económica de migrantes se estiman cercanos a 0,3 puntos porcentuales en los 2021 y 0,2 puntos porcentuales en el 2022 sobre el crecimiento económico.

El programa de financiamiento

Si bien el Gobierno de Colombia ha venido mostrando de manera decidida su compromiso en apoyar a la población migrante con un marco inclusivo que es punto de referencia para otros países de la región, este crédito, bajo la modalidad de Financiación de Políticas de Desarrollo, (DPF por sus siglas en inglés), ha sido fundamental para organizar nuestra agenda de acciones y fortalecer nuestro marco normativo para profundizar el diálogo de política, en materia de protección y la integración social y económica para los migrantes.

Con la puesta en marcha de las acciones de política que se presentan en esta operación esperamos poder avanzar hacia la integración social y económica de la población migrante en el mediano y largo plazo, específicamente en: (i) el establecimiento y fortalecimiento del marco regulatorio e institucional para la protección e inclusión social y económica en las zonas de acogida; y (ii) la mejora del acceso y calidad de los servicios.

El primer pilar de la operación *"bases legales e institucionales para la protección e inclusión social y económica a largo plazo de los migrantes en las zonas de acogida"*, está vinculado a la reciente aprobación del ETP y se enfoca en las bases para una ampliación de los servicios sociales y económicos. Promueve una vía de regularización, así como medidas de apoyo a los municipios que acogen migrantes. Las acciones específicas están dirigidas a: (i) la adopción del ETP y el establecimiento de definiciones, principios y lineamientos para la reglamentación y orientación de la Política Integral Migratoria, a través de mecanismos para la dirección, coordinación interinstitucional, y fortalecimiento de roles y responsabilidades para la administración migratoria, incluyendo, entre otras, (a) medidas para la prevención del racismo, la xenofobia y la discriminación en todas sus formas, (b) medidas para la integración económica y social de migrantes con un enfoque territorial diferenciado, (c) medidas para acabar con la apatridia, y (d) instancias para la protección internacional de extranjeros; (ii) la creación del Registro Único de Migrantes Venezolanos (RUMV) y los lineamientos operativos de la Mesa Estadística de Migraciones; (iii) la ampliación de las autorizaciones al Gobierno nacional para operaciones de



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crédito, incluyendo el límite de garantías a emitir permitiendo que las entidades territoriales accedan a líneas de crédito contingentes para garantizar la liquidez en caso de desastres naturales; y (iv) la aprobación de reglamentos y directrices locales para mejorar la coordinación, la formulación de políticas, la prestación de servicios y la participación en la toma de decisiones en las zonas de acogida mediante la creación de mesas de migración y el desarrollo de rutas locales de atención a los migrantes.

El segundo pilar de la operación "*mejora del acceso y la calidad de los servicios para los migrantes*". Reconoce la continuación de los esfuerzos del Gobierno nacional para proporcionar acceso y mejorar la calidad de los servicios sociales y económicos. Este pilar apoya la ampliación de la elegibilidad de los migrantes a subsidios de vivienda, la ampliación de los servicios de protección social y el desarrollo de un plan operativo para la vacunación contra el COVID-19. En esta materia, las acciones de política están enfocadas a: (i) la adopción del Plan Nacional de Vacunación contra el COVID-19 mediante el cual los migrantes venezolanos han sido habilitados para la vacunación; y (ii) la ampliación de la elegibilidad del Programa Nacional de Vivienda en Arriendo "Semillero de Propietarios" a los hogares y personas migrantes procedentes de Venezuela.

Sin otro particular y con lo expuesto en esta carta de política, esperamos haber dado cuenta de nuestra situación económica, así como de nuestra agenda de política pública de corto y mediano plazo para la atención de la población migrante y su incorporación en el aparato productivo del país para una recuperación económica sostenible, proceso que esperamos seguir consolidando en el tiempo con el apoyo técnico y financiero del Banco Internacional de Reconstrucción y Fomento (BIRF).

Sea esta la oportunidad para agradecer una vez más el apoyo incondicional del Grupo Banco Mundial y su compromiso con el desarrollo integral y sostenible de Colombia.

Cordial saludo,


JOSE MANUEL RESTREPO ABONDANO
Ministro
Ministerio de Hacienda y Crédito Público


ALEJANDRA BOTERO BARCO
Directora General
Departamento Nacional de Planeación



Unofficial translation of the LDP

Bogota DC, September 30, 2021

Dear Sir:

DAVID MALPASS

President

World Bank Group

Bogota, D.C.

Subject: Development Policy Letter. DPF - Colombia: Social and Economic Integration of Migrants

Dear President Malpass:

We hereby wish to reiterate the unrestricted commitment of the Government of Colombia in protecting the fundamental rights of the migrant population and in consolidating a clear, committed and fraternal migration agenda that unequivocally protects the human rights of thousands of people who had to abandon your country for different circumstances. We are fully convinced of the need to be more proactive in the implementation of concrete and dynamic public policy actions to promote equal conditions and opportunities for regularized migrants in Colombia and their incorporation into the country's productive apparatus.

The national government has been making decisive progress in the development and implementation of various actions to promote equitable and inclusive economic growth and a recovery plan to promote the gradual reactivation of the economy. The regularization of the migrant population, through the Temporary Protection Status (TPS) of migrants, will favor the integration of the migrant population into the labor market and allow their inclusion in productive activities, which in turn will translate into economic benefits and prosperity for the country.

Although this is the first operation financed by the Bank that focuses exclusively on policies that facilitate the social and economic integration of the migrant and refugee population, there are multiple aspects that have been incorporated into the design of this operation from the knowledge that the Bank has of our country and its experience in the region and in similar programs. The Bank has carried out analytical work that describes migration factors linked to the limitations of economic opportunities, self-sufficiency, and the resilience of both forcibly displaced persons and their host communities; it also focuses on a temporal dimension, comparing emergency responses to long-term interventions in other contexts, which have been useful in the Colombian case. Finally, the Bank's experience in contexts of forced displacement and mixed migration have contributed to deepening the policy dialogue directed at groups differentiated according to categories such as gender, and rural or urban areas; for example, the evaluation of the Social Security Network in Colombia in 2018 revealed the need to focus efforts to direct interventions to displaced communities, both at the central and local levels, identifying spatial dimensions of migration that were help to identify risks and opportunities in the current country context.

Macroeconomic context



For decades and until the beginning of 2020, Colombia had managed to build a path of economic growth, accompanied by a reduction in poverty, unemployment and informality, with responsible criteria of fiscal sustainability. The global crisis caused by the COVID-19 pandemic strongly impacted the country's economy, with important effects on public and private activity, in response to which various multisectoral measures were implemented that had a significant fiscal impact on income, expenses, and public debt in the Central National Government. Consequently, in 2020 Colombia registered a fiscal deficit of 7.8 percent of GDP (showing a deterioration of 5.3 percentage points of GDP compared to the previous fiscal year) and income poverty levels of 42.5 percent and extreme income poverty rate of 15.1 percent.

Notwithstanding, in 2021 we have begun to see signs of recovery and reactivation. The Economic Monitoring Indicator (ISE) registered an annual growth rate of 13.56 percent as of May 2021, showing a positive performance of economic activity. Additionally, while in May 2020 the unemployment rate reached levels of 21.4 percent, as of June 2021 it was 14.4 percent. For its part, the Gross Domestic Product for the first quarter of 2021 grew 1.1 percent compared to the same period of 2020, driven mainly by trade, transport, and restaurants (growing 40.3 percent and contributing 6.8 percentage points to GDP growth); manufacturing (growing 32.5 percent and contributing 3.8 percentage points to GDP growth); arts and entertainment (growing 83.8 percent and contributing 2.2 percentage points to GDP growth); and public administration, education and health (growing 9 percent and contributing 1.4 percentage points to GDP growth). On the other hand, the accumulated net tax collection in the period January-July 2021 grew by 17.5 percent compared to the same period in 2020 and 4.4 percent compared to the same period in 2019.

Colombia is the largest recipient of migrants from Venezuela. It is estimated that as of March 2021 around 1.7 million people settled in our country. Between 2015 and 2021 the migrant population in Colombian territory multiplied: while in 2015 there were 147,774 long-term immigrants of various nationalities in Colombia (0.3 percent of the total population), today they represent 4 percent of the total population.

The increase in the total migrant population during 2020 was concentrated in the unemployed and inactive population. During 2020, 175,000 migrants entered the country; representing a considerable decrease in the migration flow, taking into account that between 2017 and 2019 an average of 500,000 migrants entered the country each year. The total migrant population represented 5 percent of the national Economically Active Population (EAP).

The pandemic deepened and revealed certain problems in the Colombian labor market. At the end of 2020, the migrant population reached a total of 2.1 million and a small acceleration in the flow is expected in 2021, given the economic recovery. Following the projections made by the technical team of the Ministry of Finance and Public Credit, both for the total population (TP) and for the economically active population (EAP), it is expected that by the end of 2021 there will be a flow of new migrants of 658,000 people. This would reflect a migrant EAP for this year of 1.7 million people.

In 2022, we expect a lower migratory flow than in previous years, but it is expected to give continuity to the social integration policies that would continue to promote economic growth. The regularization of this population has positive impacts on the labor market through various channels: (i) it facilitates the transition of these workers from the informal sector to the formal sector, which gives them benefits in



terms of social security; (ii) allows them to engage in activities with greater added value; and (iii) it facilitates access to jobs that are more in line with their skills, which results in higher productivity.

The real expansion of the economy is expected to average 3.7 percent during the 2021-2032 period. The economic contraction observed in 2020 will be followed by years of high growth that will make it possible to close the output gap, leading the GDP to converge to its potential. The latter will be driven by the reactivation plan, New Commitment for the Future of Colombia¹⁰¹, which will complement the accumulation of physical and human capital by the private sector and the better allocation of migrants within the economic apparatus, as a result of the Temporary Protection Status to migrants.

Despite the enormous challenges that Colombia faces in terms of economic recovery, the will to support the migrant population and to regularize their situation in the country to give them the possibility of having a much more transparent access in their relationship with the State continues to be one of the priorities of the national government. Colombia has changed the history of migration policy in Latin America and the world, facing the phenomenon of the Venezuelan exodus under the humanitarian, responsible, and fraternal premise of genuine care. With a strategic perspective, the implemented measures seek to improve national productivity by providing job opportunities and access to social services to the entire regular migrant population that is in Colombia, transforming this situation into an opportunity for growth and development that contributes to the increase of the productivity, economic reactivation and poverty reduction.

Temporary Protection Status (TPS) to migrants

Since 2015, Colombia has maintained its commitment to open, progressive, innovative and comprehensive policies for the social and economic integration of Venezuelan migrants. The national government's response to the large-scale exodus from Venezuela can be broadly characterized in three stages.

In the first stage, we approved several policies, programs, and legislation to respond to shorter-term humanitarian measures that included, among others: (i) exceptional procedures to facilitate birth records of persons born in Venezuela to Colombian parents; (ii) a Border Transit Migration Card, opening four migration points and way stations; (iii) creation of the Special Permit of Permanence (PEP) as a regularization mechanism in 2017, predecessor of the ETP; and (iv) the creation of the Inter-Institutional Group on Mixed Migration Flows (GIFMM), an initiative jointly led by the International Organization for Migration and the United Nations Office for Refugees, making available a platform to support coordinated action on humanitarian aid needs.

The next stage of the response started in 2018 and was guided by the framework of the National Strategy for Response to Migration from Venezuela¹⁰², which establishes a series of critical actions around two pillars: (i) access to basic social services that guarantee the well-being of migrants and refugees, while defining institutional responsibilities and objectives; and (ii) improving institutional coordination, the mobilization of the entities responsible for critical care areas, as well as the creation of coordination

¹⁰¹ CONPES Report No. 4023 of February 11, 2021. Policy for reactivation and sustainable and inclusive growth: New commitment for the future of Colombia.

¹⁰² CONPES Report No. 3950 of November 23, 2018.



mechanisms for the country's response to migration from Venezuela. This document confirms Colombia's commitment to use sectoral strategies to expand access to health, education, early childhood, adolescence, work, housing, and security services for Venezuelan migrants and host communities. Among the most relevant measures of this stage are: (i) the creation of the Presidential Border Management Office as the agency responsible for coordinating the national response to the migration crisis; (ii) the creation of the Single Registry of Foreign Workers in Colombia (RUTEC); (iii) the launch of the Temporary Transit Permit (TTP) and (iv) the approval of a special tax regime for Special Economic and Social Zones (ZESE).

Finally, the third stage of the response route began with the issuance of the TPS for migrants from Venezuela in March 2021.¹⁰³ The Government foresees an accelerated registration process for migrants in 2021 to 2023, including both the convergence of those who are currently with PEP status, as well as the estimated one million current migrants without regular status. A key objective of this third phase is to reinforce the recovery objectives in the face of the crisis generated by COVID-19. For this, the TPS will serve as a starting point for the eligibility and integration of Venezuelan migrants in the medium term in the subsidized health insurance system, the formal education system, the housing subsidy system, the social protection regime and the labor market, among others. This phase also focuses on the protection of vulnerable migrants, including children and victims of trafficking and trafficking in persons, through the establishment of the National Strategy to Combat Human Trafficking and the eligibility of migrant children and adolescents in vulnerable situations to social protection programs.

According to some estimates, the TPS estimates that tax revenues for the 2021-2030 period will increase by 2.9 percent of GDP in 2021 compared to a scenario without migration. We are aware that both migration and TPS generate fiscal costs in the short term, however, these will bring benefits in the medium and long term. Additionally, various independent studies confirm the positive impact that the regularization of the migrant population has on growth, such as an increase in wages, productivity, formality, and consequently, economic growth.

Regularization through the TPS will favor the entry of the migrant population into the labor market. Likewise, it will have positive impacts on the labor market, inasmuch as the adverse effects of irregular entry on the informal sector would be mitigated. In particular, several studies have shown, as mentioned above, that regularization allows migrants to access jobs according to their qualifications and, therefore, increases the labor force in the formal and qualified market. Additionally, the potential benefits of the economic inclusion of migrants are estimated to be close to 0.3 percentage points in 2021 and 0.2 percentage points in 2022 on economic growth.

The financing program

Although the Government of Colombia has been showing in a determined way its commitment to support the migrant population with an inclusive framework that is now a reference for other countries in the region, this loan, under the modality of Development Policy Financing (DPF), has been fundamental to

¹⁰³ Through Decree No. 216 of March 1, 2021, the national government adopted the Temporary Protection Status for Venezuelan Migrants which contemplates the Single Registry of Venezuelan Migrants under the temporary protection regime, a statute that will be valid for ten years.



structure our action agenda and strengthen our normative framework to deepen the policy dialogue, in terms of protection and social and economic integration for migrants.

With the implementation of the policy actions presented in this operation, we hope to be able to advance towards the social and economic integration of the migrant population in the medium and long term, specifically in: (i) the establishment and strengthening of the regulatory framework and institutional for protection and social and economic inclusion in host areas; and (ii) improving access and quality of services.

The first pillar of the operation “*legal and institutional bases for the long-term protection and social and economic inclusion of migrants in host areas*” is linked to the recent approval of the TPS and focuses on the bases for an expansion of social and economic services. It promotes a path of regularization, as well as support measures for municipalities that host migrants. Specific actions are aimed at: (i) the adoption of the TPS and the establishment of definitions, principles and guidelines for the regulation and orientation of the Integrated Migration Policy, through mechanisms for overall direction, inter-institutional coordination, and strengthening of roles and responsibilities for migration administration, including, among others, (a) measures for the prevention of racism, xenophobia and discrimination in all its forms, (b) measures for the economic and social integration of migrants with a differentiated territorial approach, (c) measures to end statelessness, and (d) measures for international protection of foreigners; (ii) the creation of the Single Registry of Venezuelan Migrants (RUMV) and the operational guidelines of the Migration Statistical Table; (iii) the expansion of authorizations to the national government for credit operations, including the limit of guarantees to be issued allowing territorial entities to access contingent credit lines to ensure liquidity in the event of natural disasters; and (iv) the approval of local regulations and guidelines to improve coordination, policy formulation, service delivery, and participation in decision-making in host areas through the creation of migration roundtables and the development of local services for migrants.

The second pillar of the operation “*improvement of access and quality of services for migrants*” recognizes the continuation of the efforts of the national government to provide access and improve the quality of social and economic services. This pillar supports the expansion of migrants' eligibility for housing subsidies, the expansion of social protection services, and the development of an operational plan for vaccination against COVID-19. In this matter, policy actions are focused on: (i) the adoption of the National Vaccination Plan against COVID-19 through which Venezuelan migrants are eligible for vaccination; and (ii) the extension of the eligibility of the National Rental Housing Program “*Semillero de Propietarios*” to households and migrant persons from Venezuela.

With no other particular, and with the one set forth in this policy letter, we hope that we have given insight of our economic situation, as well as of our short and medium-term public policy agenda for the migrant population and their incorporation into the productive apparatus of the country for a sustainable economic recovery, a process that we hope to continue consolidating over time with the technical and financial support of the International Bank for Reconstruction and Development (IBRD).

Let this be the opportunity to thank once again the unconditional support of the World Bank Group and its commitment to the integrated and sustainable development of Colombia.



Best regard,

JOSÉ MANUEL RESTREPO ABONDANO

Minister

Ministry of Finance and Public Credit

ALEJANDRA BOTERO BARCO

General Director

National Planning Department



ANNEX 4: ENVIRONMENT AND POVERTY/SOCIAL ANALYSIS TABLE

Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
Pillar 1: Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas		
<p>Prior Action #1: The Republic of Colombia has established a legal framework for the long term inclusion of migrants and refugees by: (a) approving, through its Ministry of Foreign Affairs, the adoption of Temporary Protection Status (“TPS”) for Venezuelan migrants, as evidenced by Decree No. 216, dated March 1, 2021, and published in the Official Gazette on the same date; and (b) establishing the definitions, principles, and guidelines for the regulation and orientation of its integrated migratory policy, through mechanisms for overall direction, interinstitutional coordination, and strengthening of roles and responsibilities for migratory management, including, inter alia: (i) measures to prevent all forms of racism, xenophobia, and discrimination against migrants and to reduce their vulnerability; (ii) measures for the social and economic integration of migrants in host communities with a differentiated territorial approach; (iii) measures to end statelessness; and (iv) the instances in which</p>	<p>Bottom-line assessment: Neutral</p> <p>Environmental Impact: No No potential positive environmental impacts are anticipated for this measure</p> <p>Risk of a Negative Environmental Impact: No No potential negative environmental impacts are anticipated for this measure.</p>	<p>Bottom-line assessment: Positive</p> <p>Positive Social Impact: Yes Since the beginning of the massive migration of Venezuelan citizens to Colombia, the Colombian Government has sought to maintain a register of Venezuelan migrants (Resolution No. 6370 of 2018, modified by Resolution No. 10064 of 2018). A unique registry for the Venezuelan migrant population ensures public institutions and humanitarian organizations precisely direct their actions.</p> <p>On the other hand, the TPS also aims to promote the regularization of all Venezuelan migrants who wish to stay in the country temporarily, with an inclusive and independent approach to the regular or irregular immigration status. The TPS constitutes an identification document that authorizes Venezuelan migrants to remain in the national territory under special migratory regularity conditions to exercise during its validity any activity or legal occupation in the country.</p> <p>The poverty, social and distributional impact identified for the Migration Law is positive.</p> <p>The adoption of a Comprehensive Migration Policy is an important step forward in recognizing migrants as subjects of special protection and promoting the protection of their human rights. It offers protection for the best interests of children born in Colombia. In general, a positive impact is generated both this population and for the host communities and contributes to reducing the vulnerability drivers to which they are disproportionately exposed.</p> <p>The planned social, economic, and cultural integration measures help to ensure a minimum level of well-being during their transit or stay in</p>



Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
<p>international protection will be provided to foreigners, as evidenced by Law No. 2136 dated August 4, 2021, and published in the Official Gazette on the same date.</p>		<p>the country, especially in access to social services that reduce the pressure exerted by the unregulated migrant population on local communities by increasing multidimensional poverty.</p> <p>Colombia has made progress in defining a strengthened institutional framework for the care of migrants. This policy has led to create an articulated and complementary system that establishes national competencies and responsibilities, sub-national and territorial, to address the massive migration of the Venezuelan population.</p> <p>Risk of a Negative social Impact: No This Prior Action is not expected to generate adverse social impacts. Still, the regularization of Venezuelans can be a factor that favors the increase of migration, which will put even more pressure on border areas and host municipalities, requiring local authorities' permanent accompaniment to strengthen their capacity to respond to the situation. However, it would be important to note that policies and programs aiming to support Venezuelan migrants "level the field" of this group vis a vis other migrant population, who with a <i>Cedula de Extranjeria</i> already have access to social services. Given their level of vulnerability, many Venezuelan migrants today cannot meet the minimum requirements to get a <i>cedula de extranjeria</i>. The TPS solves this gap and grants equal access to services to all immigrants in Colombia.</p> <p>The Migration Law is also not expected to have a negative impact; however, response and care times in cases of statelessness were not clearly established and if extended for a long time, affect the entry into recognition of other fundamental rights and services.</p>
<p>Prior Action #2: The Republic of Colombia has approved (i) the creation and regulation of the Single Registry of Venezuelan Migrants (Registro Único de</p>	<p>Bottom-line assessment: Neutral</p> <p>Positive Environmental Impact: No No potential positive environmental impacts are anticipated for this measure</p>	<p>Bottom-line assessment: Positive</p> <p>Positive Social Impact: Yes This measure is part of the first phase of access to temporary protection status with positive effects related mainly to overcome information gaps that</p>



Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
<p>Migrantes Venezolanos - RUMV), to regularize the presence of Venezuelan migrants in the country, and provide them with a Temporary Protection Permit (Permiso por Proteccion Temporal - PPT) a formal identification document that will allow them access to labor market, social security, health, education, and other government services, paying attention to vulnerable groups' special needs, such as indigenous peoples, children and transgender population; and (ii) the regulations and operational guidelines applicable to the Migration Statistical Roundtable, as evidenced by Decree No. 216 dated March 1, 2021, published in the Official Gazette on the same date; the Resolution No. 0971 dated April 28, 2021 of Migración Colombia's Special Administrative Unit, and DANE's Resolution No. 1372 of November 26, 2020.</p>	<p>Risk of a Negative Environmental Impact: No No potential negative environmental impacts are anticipated for this measure.</p>	<p>facilitate the real-time characterization of the migrant population and its flows migratory, improving the inputs available for the design of policies for their attention.</p> <p>According to the Resolution open to comments on the Temporary Protection Statute for Venezuelan Migrants, as of January 31, 2021, 720,113 Special Stay Permits (PEP) had been granted to a population of approximately 1,742,927 migrants in Colombia; the majority are still in an irregular situation without access to social services especially the school-age population who cannot currently obtain a degree or continue their education. In this sense, an instrument such as the Unified Registry of Venezuelan Migrants - RUM, will help collect and update information that allows the Colombian government, strengthen efforts to regularize the population situation and facilitate access to visas or other protective measures with better targeting.</p> <p>Thanks to the interoperability that the RUM hopes to have, the various entities and authorities in Colombia will have updated information in real-time, facilitating better control over situations of violence, social risks, or criminality to which the migrant population may be exposed or involved.</p> <p>Risk of a Negative social Impact: No Despite the positive effects, the RUM faces challenges in capturing information, bearing in mind that one of the entry requirements to the instrument is that migrants provide identity documents, and in many cases, they are not available. Likewise, registration in two stages, one virtual and one in person, requires barrier-free attention, given the high mobility migrants can present within the national territory.</p>
<p>Prior Action #3: The Republic of Colombia has expanded authorizations to the national government for external and internal credit operations, including increasing the ceiling on</p>	<p>Bottom-line assessment: Positive Positive Environmental Impact: Yes Indirect positive effects may result from the measure as it may allow territorial entities to respond (mitigate and restore) on time to disasters, including natural disasters caused by climate variabilities such as fires, hurricanes,</p>	<p>Bottom-line assessment: Positive Positive Social Impact: Yes This Prior Action has a positive effect because the communities living in poverty or poorly planned human settlements are directly and drastically affected by climate change because their housing</p>



Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
the guarantees to be issued by the national government in support of debt obligations of other public entities, therefore, allowing territorial entities access to contingent lines of credit to ensure liquidity in the event of a natural disaster; as evidenced by Law No. 2073, dated December 31, 2020 and published in the Official Gazette on the same date.	<p>flooding, spills of pollutants on soil, air and water, all of them with the potential of destruction of the vegetative cover, forests and fauna, and displacement of natural habitats. Article 4 of Law 2073, 2020, requires the elaboration of the framework for public debt bonds for sustainable development financing, which indirectly promotes the financing of assets and projects linked to energy efficiency solutions, renewable energy projects, climate-smart agricultural activities, green buildings, and projects and assets that qualify as green, blue or sustainable, such as equipment and projects that generate a positive environmental impact.</p> <p>Risk of a Negative Environmental Impact: No No adverse effects on the environment expected.</p>	<p>conditions, income, basic infrastructure, and natural disaster response systems are inadequate. In these areas, the migrant population tends to be concentrated because they have difficulties accessing housing in safer places due to barriers such as lack of legal documentation or low income.</p> <p>Access to a line of credit with the conditions established in Law No. 2071 of 2020 will reduce the financial vulnerability faced by territorial entities in the event of natural disasters. National records show that since 1970, at least 1.1 percent of GDP has been lost to extreme weather events, and during the 2010 - 2011 period, reached losses of 11.2 trillion pesos¹⁰⁴ during the "Ola Invernal". These data reveal the country's fiscal vulnerability to the occurrence of a natural disaster.</p> <p>Consequently, the access of territorial entities to financial resources through the mechanisms envisaged in this action will increase the effective response required in the face of emergencies such as the humanitarian attention of local communities and migrants, the relocation of populations, the interruption of public services, damage to infrastructure and losses in crops or productive activities that have negative impacts on the poverty of the people in their jurisdiction.</p> <p>Risk of a Negative social Impact: No This measure does not represent adverse risks for local communities and migrants; on the contrary, in the short term, it improves the response capacity for their attention, considering that territorial entities are under various pressures at the same time: continuous flow or concentration of migrants in their urban areas; the post-economic recovery post- COVID 19 and the increase in rainfall and flooding in the last six months.</p>
Prior Action #4: The Republic of Colombia has presented evidence of the	Bottom-line assessment: Neutral	Bottom-line assessment: Positive

¹⁰⁴Data: https://www.minambiente.gov.co/images/cambioclimatico/pdf/Plan_nacional_de_adaptacion/3._Da%C3%B1os_y_p%C3%A9rdidas_ola_invernal.pdf.



Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
approval of local regulations, through relevant municipalities, for improved coordination, policy making, service delivery and participation in decision making in host areas by creating Migration Roundtables and other coordination mechanisms, as evidenced by Santander's Resolution No. 10032, dated November 10, 2020; Arauca's Decree No. 100, dated November 30, 2020; Vichada's Decree No. 218, dated December 2, 2020; Cartagena's Decree No. 1621, dated December 31, 2020 and complementary Guidelines, published on March 2, 2020; Boyaca's Decree No. 115, dated March 23, 2021; Casanare's Decree No. 087, dated May 13, 2021.	<p>Positive Environmental Impact: No No potential positive environmental impacts are anticipated for this measure.</p> <p>Risk of a Negative Environmental Impact: No No potential negative environmental impacts are anticipated for this measure.</p>	<p>Positive Social Impact: Yes The Vaccination Plan adopted by Ministerial Decree No. 109 of 29 January 2021 is a positive response for the general population living in the country, as it contributes to reducing severe morbidity and specific mortality by COVID-19. Within this Plan, vaccination has been conceived from the legal perspective, with clear criteria for equal access to vaccines. In this sense, it considers that Colombia, being the main recipient of migratory flows from Venezuela, ensure that regular and irregular migrants are included in the process without health barriers to prevent the spread of COVID 19, which can accentuate their vulnerability, in addition to achieving the herd immunity expected in the country.</p> <p>Risk of a Negative social Impact: No It is essential to recognize that population prioritization is based on the premise that vaccines are a scarce commodity; it can lead to conflicts with local populations and require demanding efforts to prevent xenophobia and monitor strictly that the migrant population receive their complete vaccination schemes.</p>
Pillar 2: Improved Access to and Quality of Services for Migrants		
Prior Action #5: The Republic of Colombia, through the Ministry of Health and Social Protection, has adopted the National Vaccination Plan against COVID-19, through which Venezuelan migrants have been made eligible for vaccination for COVID-19, as evidenced by Decree No. 109 dated January 29, 2021 and published in the Official Gazette on the same date.	<p>Bottom-line assessment: Likely Negative. Incremental waste volumes from vaccination activities will be mitigated through national guidelines for COVID-19 vaccination which include requirements for waste management.</p> <p>Positive Environmental Impact: No No potential positive environmental impacts are anticipated for this measure.</p> <p>Risk of a Negative Environmental Impact: Yes The inclusion of Venezuelan migrants as an eligible population for vaccination from COVID-19 within the National Vaccination Plan against COVID-19 may increase the amount of hospital</p>	<p>Bottom-line assessment: Positive</p> <p>Positive Social Impact: Yes The Vaccination Plan adopted by Ministerial Decree No. 109 of 29 January 2021 is a positive response for the general population living in the country, as it contributes to reducing severe morbidity and specific mortality by COVID-19. Within this Plan, vaccination has been conceived from the legal perspective, with clear criteria for equal access to vaccines. In this sense, it considers that Colombia, being the main recipient of migratory flows from Venezuela, ensures that regular and irregular migrants are included in the process without health barriers to prevent the spread of COVID-19, which can accentuate their</p>



Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
	<p>waste¹⁰⁵ resulting from vaccination activities. Nevertheless, the Ministry of Health and Social Protection issued the recommendations so that territorial entities, EPS and IPS that manage the vaccination posts, carry out comprehensive management of the waste generated in health care and other activities. The operational technical guidelines for the administration of vaccines against COVID-19¹⁰⁶ include specific requirements for the appropriate waste management.¹⁰⁷</p> <p>Special environmental licensing process is applied to the hazardous waste management operators (disposal authorized facilities). Also, Health Secretariats from municipalities have in place adequate procedures and regulation to be implemented by local health facilities, including management of hospital waste. Potential impacts would be adequately controlled by applicable competent authorities following the current environmental regulation regarding waste management.</p> <p>However, special attention to waste management must focus in border areas where potential institutional weakness may be expected regarding hospital waste management, especially in small cities, municipalities, and rural areas. The Government of Colombia must ensure that the local and regional environmental authorities in border areas have the adequate capacity (trained staff and procedures in place) to control the infectious waste collection, store, and disposal in authorized facilities.</p>	<p>vulnerability, in addition to achieving the herd immunity expected in the country.</p> <p>Risk of a Negative social Impact: No It is essential to recognize that population prioritization is based on the premise that vaccines are a scarce commodity. This can lead to conflicts between local and migrant populations and will require efforts to prevent xenophobia and monitor migrant populations' rights to be vaccinated.</p>
Prior Action #6: The Republic of Colombia, through the Ministry of Housing, City and Territory, has expanded the eligibility of the	<p>Bottom-line assessment: Positive</p> <p>Positive Environmental Impact: Yes</p> <p>Informal housing of migrants is an increased phenomenon evidenced during the last years in</p>	<p>Bottom-line assessment: Positive</p> <p>Positive Social Impact: Yes This Prior Action will have a positive impact on the access of the Venezuelan migrant population to housing in conditions of security and stability</p>

¹⁰⁵ Hospital waste has infectious characteristics thus it is considered hazardous waste according to national environmental regulation, Decree No. 7076, 2015 Ministry of Environment and Sustainable Development.

¹⁰⁶ <https://comunicaciones.segurossura.com.co/covid19/Contenidos/Vacunacion/Aspectos-y-lineamientos-tecnicos/Lineamientos-tecnicos.pdf>

¹⁰⁷ These recommendations are given within the framework of title 10 of Decree No. 780 of 2016 and in Resolution No. 1164 of 2002 -by which the Manual of procedures for the integrated management of hospital waste is adopted



Prior Actions	Significant positive or negative environment effects	Significant poverty, social or distributional effects positive or negative
National Rental Housing Program "Semillero de Propietarios" to target migrants from Venezuela, as evidenced by Decree No. 057 dated January 19, 2021, and published in the Official Gazette on the same date.	<p>Colombia, and it causes negative environmental impacts on land use and natural resources pollution related to informal human settlements near natural water bodies or in environmentally protected areas, where no public services are ensured (potable water, sanitation, and waste management).</p> <p>The rental subsidies for Venezuelan migrants will have potentially positive impacts on the environment and natural resources reducing informal housing-related issues, including: pollution of natural water bodies with liquid and solid waste, pollution of soil, loss of vegetal cover, air pollution due to uncontrolled incineration, displacement of natural habits, and deforestation.</p> <p>Also, the Ministry of Housing, City, and Territory include environmental requirements for the Resilient and Inclusive Housing Project in Colombia, to address potential impacts and risks related to increasing the quality of housing for low-income families. The requirements shall be established within the legal agreement or framework of the Resilient and Inclusive Housing Project. Also, environmental criteria for beneficiary's selection include:</p> <p>The properties are not located in areas of high non-mitigable risk, in areas of protection of natural resources, in reserve areas for public works or basic infrastructures at the national, regional, or municipal level, in areas not suitable for locating housing following the Territorial Organization Plans.</p> <p>Risk of a Negative Environmental Impact: No No potential negative environmental impacts are anticipated for this measure.</p>	<p>through the support provided by the program "Semillero de Propietarios" which allocates family housing allowances of leasing to families with an income of at least two (2) minimum legal monthly (Decree No. 2413 of 2018). The Venezuelan migrant population will be eligible for these types of family housing subsidies, considering that Article 100 of the Colombian Constitution states that foreigners shall enjoy in the national territory the same civil rights as are granted to the Colombians.</p> <p>Decree No. 057 of 2021 promulgated by the Ministry of Housing, City and Territory, which amends some articles of Decree No. 1077 of 2015, favors the restructuring of processes and procedures so that the Venezuelan migrant population can access with regular migratory status, to the benefits of decent habitat for families. Whether owned (home improvement program) or rented, it improves the integration of the migrant population into the host communities due to the possibility of establishing more sustainable links.</p> <p>Risk of a Negative social Impact: No Although the impact of such measures is expected to be positive, they must be accompanied by information and awareness-raising processes among host communities to prevent adverse situations of rejection, xenophobia, and exclusion that create barriers for the migrant population to access housing of their choice.</p>



ANNEX 5: DETAILED POVERTY AND SOCIAL IMPACT ANALYSIS

1. This PSIA is designed to provide an analysis of the potential effects on poverty and inequality of interventions supported by the DPF “Social and Economic Integration of Migrants”. Because of the ex-ante nature of this assessment, the PSIA analyzes the expected impact of the DPF Prior Actions, distinguishing short from medium to long-run effects. The analysis is based on several assumptions about the theory of change for each Prior Action and the extent to which these actions are effectively implemented.

Pillar 1: Legal and Institutional Basis for the Protection and Long-Term Social and Economic Inclusion of Migrants in Host Areas

Prior Action #1. *The Republic of Colombia has established a legal framework for the long term inclusion of migrants and refugees by: (a) approving, through its Ministry of Foreign Affairs, the adoption of Temporary Protection Status (“TPS”) for Venezuelan migrants, as evidenced by Decree No. 216, dated March 1, 2021, and published in the Official Gazette on the same date; and (b) establishing the definitions, principles, and guidelines for the regulation and orientation of its integrated migratory policy, through mechanisms for overall direction, interinstitutional coordination, and strengthening of roles and responsibilities for migratory management, including, inter alia: (i) measures to prevent all forms of racism, xenophobia, and discrimination against migrants and to reduce their vulnerability; (ii) measures for the social and economic integration of migrants in host communities with a differentiated territorial approach; (iii) measures to end statelessness; and (iv) the instances in which international protection will be provided to foreigners, as evidenced by Law No. 2136 dated August 4, 2021, and published in the Official Gazette on the same date.*

2. The policy supported by Prior Action 1 that establishes a path to regularize the status of the irregular Venezuelan migrant population is expected to have a significant positive effect in reducing poverty and promoting equity in the short to medium term through improved conditions for their social and economic integration that can have long-term economic benefits for Colombia. Facilitating migrants’ transition from an emergency and transitory migratory regime to a regular migratory regime can substantially improve their living conditions by opening access to services and opportunities such as access to health, education, better quality of employment, and childcare services at the national, departmental, and municipal levels. Increasing access to opportunities is critical to incentivize investment in human and other kind of capital accumulation. Integrating migrants into society and the economy through TPS provides a crucial opportunity to design comprehensive public policy while promoting a long-term rise in aggregate demand that can dynamize the Colombian economy.

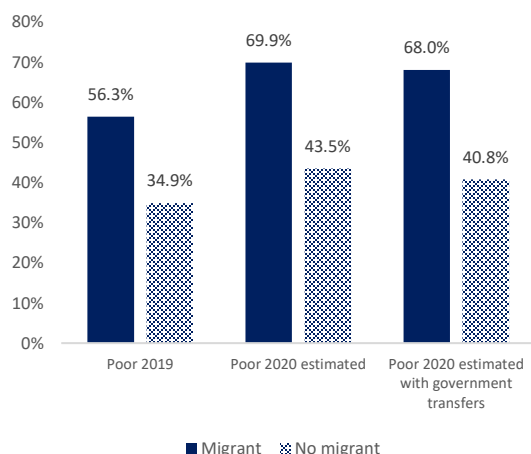
3. The evidence shows that Venezuelan migrants are overrepresented among the poor in Colombia. Poverty rates among Venezuelan migrants were 21.5 percent points higher than among the rest of the population pre-crisis (GEIH 2019). Given the initial conditions of vulnerability of Venezuelan migrants in Colombia across a host of socio-economic indicators, the COVID-19 crisis has had a more severe impact on their living standards. Microsimulation estimates using the 2019 and 2020 GEIH suggest that the COVID-19 shock likely had a disproportionate impact on this group: the poverty rate is around 1.7 times larger in 2020 between migrants and non-migrants, compared to before the pandemic when



poverty rates were 1.6 higher among the former (see Figure 8).

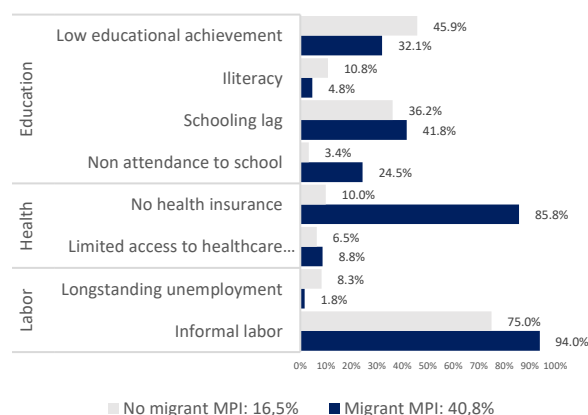
4. **Evidence suggests that the regular states granted by the TPS can facilitate access to public services, such as health and education for Venezuelan migrant and their dependents.**¹⁰⁸ Irregular migrants are consistently worse-off than regular migrants. They face obstacles in the eligibility for social programs and are totally unprotected from health services with only 1 percent having access.¹⁰⁹ Moreover, most of the cases of migrants who presented a health difficulty turn up to self-medication in comparison with no migrants according to Profamilia. It is also expected to reduce barriers to access to the education system for Venezuelan migrants without a regular migratory status and to facilitate their educational trajectory and official validation of their educational attainment. This can promote incentives towards schooling since more than half of migrant children are out of the educational system compared to 8 percent among other children.¹¹⁰ At the same time, the increased enrollment of children in school can reduce the amount of time that women allocate to childcare, freeing up their time to participate in income-generating opportunities. The adoption of TPS can also open opportunities for higher education and, through the recognition of educational achievements, for access to better jobs since the share of young people ages 15-24 who neither study nor work is 42 percent for short-term migrants (12 months) and 28 percent for long-term migrants (5 years), which is significantly higher than the figure for the rest of the population (22 percent). In terms of multidimensional poverty pre-crisis (see Figure 9), migrants are more severely deprived than non-migrants from health insurance (85.8 percent), formal labor (94 percent) and no schooling (41.8 percent).

Figure 8. Poverty by migration status pre- and post-COVID



Source: own estimates based on GEIH-2019-2020

Figure 9. Multidimensional poverty by deprivation



Source: own estimates ECV 2019, DANE

* childhood and housing components are shown below

¹⁰⁸ Bahar, D, A M Ibañez, and S Rozo (2020), "Give Me Your Tired and Your Poor: Impact of a Large-Scale Amnesty Program for Undocumented Refugees", IZA Discussion Papers No. 13743

¹⁰⁹ RAMV (Registro Administrativo de Migrantes Venezolanos en Colombia). Report from 12th of June of 2018.

¹¹⁰ Unesco (2020) Derecho a la educación bajo presión Principales desafíos y acciones transformadoras en la respuesta educativa al flujo migratorio mixto de población venezolana en Colombia



5. The policy can ease access to services, including sexual and reproductive health, that can benefit populations with high health risks, such as pregnant women. Among pregnant migrant women (5.3 percent), more than a half of them do not take nutritional supplements, and for children 0-5 age (11 percent), 10 percent of families register that they have been left without food at some point in the past three months. In Colombia nearly 2 million women and men have access to sexual and reproductive modern services. However, structural barriers, lack of coverage in health system due to irregular status and financial resources can reduce access, especially for migrant groups. These limitations are expected to exacerbate because of the pandemic.¹¹¹ Despite the above, the use of health services by Venezuelan migrants has increased between 2018 and 2019: 15.8 percent in sexually transmitted diseases, 80 percent in prenatal checkups, and 96 percent in contraceptive attentions.¹¹² Among the services demanded by migrants stand out those related to communicable diseases HIV/AIDS and maternal health maternal morbidity.

6. Employment rates are higher for migrants than for non-migrants, due to their high level of informality and fewer fallback options for many through, for instance, access to social programs. Heightened vulnerability of irregular migrants, linked to a lack of better jobs, is expected to decline in the short- and medium- terms from the measure supported in Prior Action 1. Irregular migrants have been likely harder hit by the economic impacts of the COVID-19 crisis due to their high level of informality and lower earnings pre-crisis, and the lockdowns that affected directly the sectors in which they work. Available data for labor market employment rates shows a reduction between 2019 and 2020 of 7.5 percentage points for migrants, nearly 1 percentage point larger than for non-migrants, and a slight reduction in the average weekly hours worked. These changes exacerbate pre-existing gaps, as even pre-crisis (2019) they had lower earnings: migrants earned 16.2 percent less than non-migrants with similar education and in the same sectors even when their participation in labor market and occupancy rates are relatively higher (see Figure 10). Irregular immigrants have lower quality of jobs, mainly employed in the informal sector and as self-employed (98 percent). Moreover, pre-crisis, the Venezuelan migrant population was overrepresented among those with informal jobs (incidence of informality was 9.9 percent higher among migrants compared to the average worker) and they worked in sectors particularly affected by the pandemic, namely Construction, Retail and Transportation and Arts, Entertainment and Recreation, changing the employment composition by sector (see Figure 11).

7. The vulnerability is higher among women. Access to jobs for female migrants was lower than for non-migrant women, and they were overrepresented among the unemployed and underemployed. The gender gap in employment rates for migrants is higher than for the overall population (2.9 and 2.2 percentage points, respectively). Female migrants are overrepresented among the unemployed (22.6 percent of migrant women are unemployed, compared to 13.6 percent of the average female population) and they are more likely to be underemployed (3.5 percentage points more likely than male migrants). Finally, informality rates for young migrants are 15 percentage points higher than those for non-migrants between the ages of 14 to 24. Along the same lines, earnings are 11.5 percent lower for young migrants

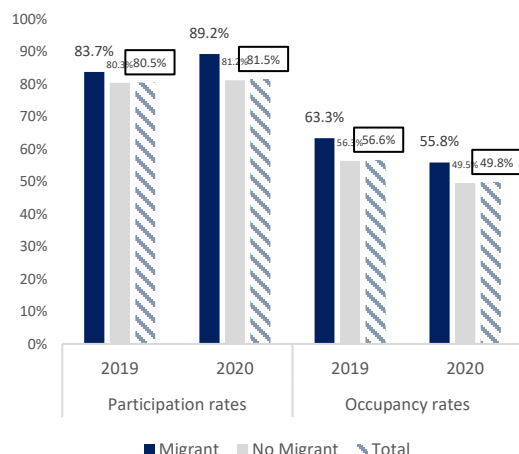
¹¹¹ Profamilia (2020). Desigualdades en anticoncepción en migrantes y refugiados venezolanos y colombianos en comunidades de acogida. Abril. Dirección de investigaciones. <https://www.profamilia.org.co/wp-content/uploads/2020/04/Desigualdades-en-anticoncepcion-en-migrantes-venezolanos-Colombia-Profamilia.pdf>

¹¹² Profamilia (2020). Desigualdades en salud de la población migrante y refugiada venezolana en Colombia. <https://www.profamilia.org.co/wp-content/uploads/2020/04/Desigualdades-en-salud-de-la-poblacion-migrante-y-refugiada-venezolana-en-Colombia-Como-manejar-la-respuesta-local-dentro-de-la-emergencia-humanitaria.pdf>



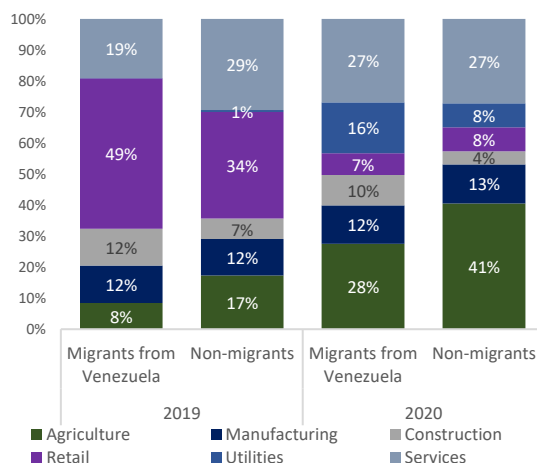
than for non-migrants. In terms of educational attainment, occupied young migrants have lower educational levels than non-migrants in the labor market. Estimates from the GEIH also indicate that while 18.6 percent of migrants have a college degree, 30.2 percent of non-migrants do.

Figure 10. Participation and occupancy rates in labor market



Source: own estimates based on GEIH-2019-2020

Figure 11. Changes in sectoral concentration of working Venezuelan migrants and non-migrants (% share by sector)



Source: own estimates based on GEIH-2019 and microsimulations for 2020

8. Comprehensive policy design that considers both regularization and alternative policies, is critical to address potential short-term negative welfare effects of immigration on host communities and have the potential to generate more and better jobs, improving standards of living and promoting equity. Evidence is mixed about effects of migration in the local labor market. Some scholars¹¹³ alert about the short-term negative effects in the native wages at the lower part of the distribution in the informal sector, affecting mostly men in low-skilled jobs. On the other hand, there is evidence based on alternative data sources that suggests that open-door policies do not harm labor markets in the host community¹¹⁴ or that migrant flows do not have significant effects on unemployment for non-migrants.¹¹⁵ Instead, this strand of the literature finds an increase in unemployment for migrants, for whom the labor market cannot compensate for the lack of social networks support. Evidence¹¹⁶ for the amnesty program PEP, for its part, does not show any significant impacts on hours worked, wages and labor force in the short- to medium-term, but it shows negative effects on formal employment, mainly for host community workers who are highly educated and for women.

¹¹³ Caruso, Gómez and Mueller (2019). Spillover effects of the Venezuelan crisis: migration impacts in Colombia. Oxford University Press.

¹¹⁴ Santamaría, J. (2019). 'When a Stranger Shall Sojourn with Thee': The Impact of the Venezuelan Exodus on Colombian Labor Markets

¹¹⁵ Bonilla-Mejía, L., Morales-Zurita, L., Hérnida-Giraldo, D. & Flórez, L. (2020). El mercado laboral de los inmigrantes y no inmigrantes. Evidencia de la crisis venezolana de refugiados. Banco de la República de Colombia.

¹¹⁶ Bahar, D, A M Ibañez, and S Rozo (2020), "Give Me Your Tired and Your Poor: Impact of a Large-Scale Amnesty Program for Undocumented Refugees", IZA Discussion Papers No. 137



9. **In the medium- to long-term, migrant's integration in the economy can bring benefits in terms of entrepreneurship and innovation.** TPS can ease access to business generation opportunities, particularly among MSMEs. MSMEs concentrate a large share of jobs in Colombia. In terms of employment, MSMEs with up to 100 employees contribute 79.1 percent of the total employment, 47 percent of the formal employment and 97.6 percent of the informal employment. Moreover, these firms generate about 80 percent of the employment among the poor and vulnerable. It is estimated that 45 percent of workers in MSMEs are considered vulnerable workers (compared to 32 percent of workers in large firms). It is estimated that around 86 percent of migrants work alone or work in enterprises with less than 10 workers. MSMEs are intensive in goods and services with less development and use of technology. It is expected that the adoption of TPS along with alternative ongoing programs that support business creation can boost income generation, incentivizing the formalization of micro and small entrepreneurs, and improving access to financial services with positive impacts on job creation and quality of life.

10. **The policy included under Prior Action 1 that aims at strengthening the institutional framework for the economic and social integration of migrants by addressing pressures in the provision of services in local areas, defining roles and responsibilities for migratory management and adopting measures to prevent discriminatory and xenophobic behaviors.** As of February 2020, 54 percent of Colombians disagreed with the Government receiving migrants, and by April of the same year, 81 percent reported to have a negative opinion about Venezuelan migrants residing in the country.¹¹⁷ In addition, a survey shows that 74 percent of Colombians believe that immigration increases crime and insecurity, a higher percentage than that reported by Ecuadorians (68 percent) and Peruvians (70 percent).¹¹⁸ Overall, immigrants face a high risk of victimization and xenophobic fears. Nevertheless, the evidence for Colombia¹¹⁹ using arrest records suggests that there was an increase in homicides given a massive migration wave in areas close to the Venezuelan border, but those increases involved Venezuelans as victims, with not statistically significant increase in the homicides victimizing Colombians. Measures aimed at strengthening the institutional framework combined with enhanced interinstitutional coordination can improve access to basic and human capital services for vulnerable migrants, reduce social tensions, as well as discriminatory and xenophobic behaviors that limit the social and economic integration of migrants.

Prior Action #2: *The Republic of Colombia has approved (i) the creation and regulation of the Single Registry of Venezuelan Migrants (Registro Único de Migrantes Venezolanos - RUMV), to regularize the presence of Venezuelan migrants in the country, and provide them with a Temporary Protection Permit (Permiso por Protección Temporal - PPT) a formal identification document that will allow them access to labor market, social security, health, education, and other government services, paying attention to vulnerable groups' special needs, such as indigenous peoples, children and transgender population; and (ii) the regulations and operational guidelines applicable to the Migration Statistical Roundtable, as evidenced by Decree No. 216 dated March 1, 2021, published in the Official Gazette on the same date; the Resolution No. 0971 dated April 28, 2021 of Migración Colombia's Special Administrative Unit, and DANE's Resolution No. 1372 of November 26, 2020.*

¹¹⁷ Observatory for the Project 'Migración Venezuela' based on the Survey by Invamer Gallup-Poll, April 2020.

¹¹⁸ Oxfam. 2019. "YES, BUT NOT HERE". Perceptions of xenophobia and discrimination towards Venezuelan migrants in Colombia, Ecuador and Peru. Technical report Oxfam International.

¹¹⁹ Knight, B., & Tribin, A. (2020). IMMIGRATION AND VIOLENT CRIME: EVIDENCE FROM THE COLOMBIA-VENEZUELA BORDER. Working Paper 27620 <http://www.nber.org/papers/w27620>.



Prior Action #4: *The Republic of Colombia has presented evidence of the approval of local regulations, through relevant municipalities, for improved coordination, policy making, service delivery and participation in decision making in host areas by creating Migration Roundtables and other coordination mechanisms, as evidenced by Santander's Resolution No. 10032, dated November 10, 2020; Arauca's Decree No. 100, dated November 30, 2020; Vichada's Decree No. 218, dated December 2, 2020; Cartagena's Decree No. 1621, dated December 31, 2020 and complementary Guidelines, published on March 2, 2020; Boyaca's Decree No. 115, dated March 23, 2021; Casanare's Decree No. 087, dated May 13, 2021.*

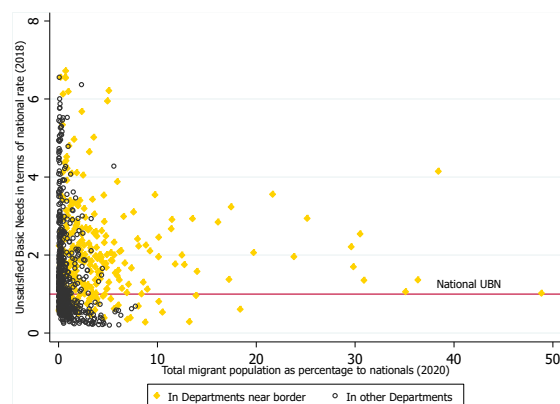
11. **Prior Actions 2 and 4 are expected to benefit the vulnerable population and potentially reduce poverty and inequality in the short- to medium-term by increasing understanding of the needs and characteristics of the migrant population through more and better data for decision making, strengthening the institutional framework and improving public policy effectiveness.** The activities supported by Prior Action 2 aim to address challenges around information management, characterization of the Venezuelan migrant population and their needs, security information of official statistics across sectors and government levels, and interoperability of sources. Improved data collection is vital to inform policy design, improve targeting, as well as efficiency and efficacy of policy decisions. Currently, data from the GEIH and the ECV and from RAMV are used for decision making, but they lack representativeness and more detailed socioeconomic information is needed for better diagnostics that inform decision making. Additionally, Prior Action 4 includes measures that have the scope to facilitate the coordinated offer of social services that have been affected by population pressures through easing coordination response between different institutional levels to attend vulnerable populations, boosting regional development and public policy. This more coordinated response can also contribute to better identifying and managing the pressures that the migratory flows pose on host communities, including its social implications.

12. **Migrants concentrate disproportionately in poor areas, particularly in municipalities that belong to a department near the border, where Unsatisfied Basic Needs (UBN) are higher than the national average (see Figure 12).** In municipalities relatively close to the border, 80 percent of the population has UBN above the national rate (14.3 percent for the total population), in contrast to 49 percent of municipalities of other departments. The migrant population with lower levels of education is concentrated in those departments close to the border¹²⁰ such as La Guajira, Arauca, Guainía or Norte de Santander, well known as territories with a high share of the population with unsatisfied basic needs and monetary poverty rates. Development gaps can be exacerbated by high concentration of migrants and the strain on basic services such as health, education, water sanitation or housing services, particularly in municipalities with higher and persistent rates of inadequate services, commonly near the border where migrants are concentrated (see Figure 13). Strengthening planning and institutional capacities have the scope to facilitate coordinated action for the effective provision of basic services and public policy, promoting economic and social integration of migrants but also improving standard living conditions for the host population.

¹²⁰ Fedesarrollo (2018). ELEMENTOS PARA UNA POLÍTICA PÚBLICA FRENTE A LA CRISIS DE VENEZUELA. Cuadernos Fedesarrollo 69. shorturl.at/ktR13

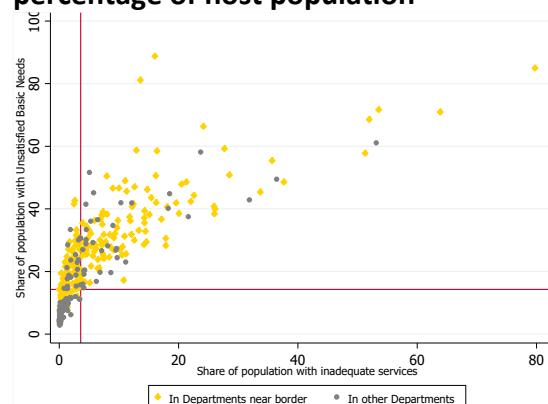


Figure 12. Relationship between UBN and Migrants Concentration at municipality level



Source: own estimates based on DANE and *Migración Colombia*

Figure 13. Relationship between UBN and inadequate services for municipalities with more than 1 percent migrants as percentage of host population



Source: own estimates based on DANE National Census, 2018 and *Migración Colombia*

Prior Action #3: *The Republic of Colombia has expanded authorizations to the national government for external and internal credit operations, including increasing the ceiling on the guarantees to be issued by the national government in support of debt obligations of other public entities, therefore, allowing territorial entities access to contingent lines of credit to ensure liquidity in the event of a natural disaster; as evidenced by Law No. 2073, dated December 31, 2020 and published in the Official Gazette on the same date.*

13. Poorer and vulnerable households, among which the Venezuelan population are overrepresented, are more exposed to the negative effects of shocks and count on fewer or no coping mechanisms. Wealthier households are better equipped to withstand the effects of negative aggregate shocks (for example, by taking out loans, selling assets, or receiving insurance compensation). Moreover, the outlook after a collective shock materializes is grimmer among vulnerable and credit-constrained households. Even a relatively small shock can hinder the income-generating capacity of households with lower assets. The literature for Colombia documents the negative impacts of natural disasters like floods welfare outcomes (see Baéz, et al. 2017). This literature also documents lower upward economic mobility and a push into poverty among households affected by shocks. Policies supported by Prior Action 3 provide access to financial resources to local territories in the event of disasters, improving territorial capacities against disaster risk. Approximately 67 percent of Venezuelan migrants live in municipalities and territorial entities with medium, high, and very high hydrometeorological risks and exacerbating pre-existing vulnerabilities to disaster risks.

Pillar 2: Improved Access to and Quality of Services for Migrants

Prior Action #5: *The Republic of Colombia, through the Ministry of Health and Social Protection, has adopted the National Vaccination Plan against COVID-19, through which Venezuelan migrants have been made eligible for vaccination for COVID-19, as evidenced by Decree No. 109 dated January 29, 2021 and published in the Official Gazette on the same date.*



14. Eligibility of Venezuelan migrants for the vaccination from COVID-19 is expected to have significant impacts in poverty reduction and promoting equity in the short to medium run by reducing mortality and morbidity due to COVID-19, protecting the population from the spread of the virus for those migrants who are most exposed and vulnerable to coronavirus. Migrants are exposed to inadequate access to health services and lack of coverage: 30.8 percent of Venezuelan migrants do not receive health insurance benefits, compared to 94.4 percent among the rest of the population. They already face poorer health outcomes that could make them more vulnerable. Moreover, the lack of access for many to social programs and in the absence of coping mechanisms from the economic effects of the crisis, they might be particularly exposed as they continue engaging in work. Importantly, the inclusion of all population groups in the COVID-19 vaccination program is a necessary condition to eradicate the virus.

Prior Action #6. *The Republic of Colombia, through the Ministry of Housing, City and Territory, has expanded the eligibility of the National Rental Housing Program “Semillero de Propietarios” to target migrants from Venezuela, as evidenced by Decree No. 057 dated January 19, 2021, and published in the Official Gazette on the same date.*

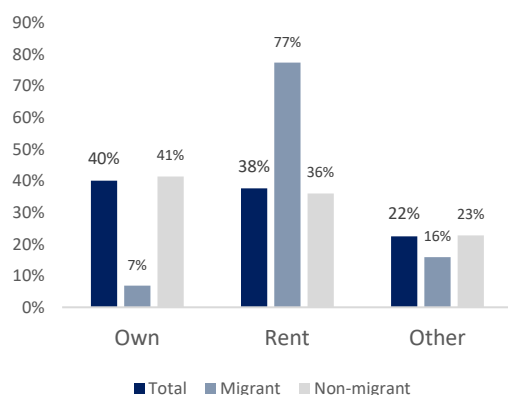
15. Targeting Venezuelan migrants as vulnerable population eligible for the housing program can significantly reduce poverty by improving housing supply and quality conditions through home subsidy. Disparities in access to housing are severe between migrants and host communities. Even when the share of Colombian population that do not have their own house is high (40 percent), 7 percent of migrants own their house (see Figure 14). The vast majority rent, potentially exposing them to vulnerabilities vis-à-vis landlords, particularly in situations of irregular status, and have lower quality housing. The situation is more precarious for Venezuelan migrants living in border areas between Colombia and Venezuela. For instance, access to an uninterrupted water supply system is lower (69 percent) than for Venezuelan migrants in non-border areas (75 percent), and data from the statistics institute showed that the urban housing deficit in 77 border municipalities was 10 percentage points higher than at the national level.¹²¹ Housing deprivations shows that inadequate elimination of sewage waste and inadequate material for external walls are dimensions for which immigrants face more deprivations, as well as more severe critical overcrowding in comparison to non-migrants. The housing deficit has significant equity implications, affecting particularly migrant women and girls. A recent survey revealed that migrant respondents in Colombia, 80 percent of whom were women, face an elevated risk of eviction.¹²² A substantial benefit of the program relies on building resilience by financing rental subsidies in areas not subject to hazards, preventing risk of natural disasters and also preserving environmentally protected areas where access to public services and basic infrastructure can generate a resilient housing environment. Beyond the overall benefits of improved access and housing conditions, this housing program can improve access to proper facilities for women and girls, including sanitation, thereby reducing the risk of gender-based violence associated with the lack of privacy and protection in temporary or irregular settlements.

¹²¹ World Bank (2018) Migración desde Colombia a Venezuela. Impactos y estrategias de respuesta en el corto y mediano plazo.

¹²² Plataforma Regional de Coordinación Interagencial para Refugiados y Migrantes de Venezuela (R4V). 2021. Encuesta regional de desalojos de las personas refugiadas y migrantes de Venezuela: Análisis de los principales impactos y necesidades. <https://reliefweb.int/sites/reliefweb.int/files/resources/ENCUESTA%20REGIONAL-FEBRERO16-web.pdf>

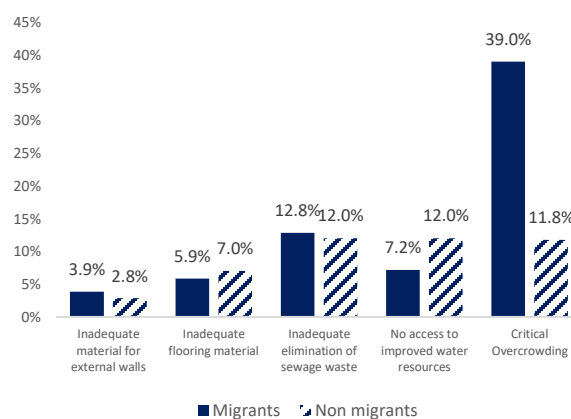


Figure 14. Type of housing



Source: GEIH 2019

Figure 15. Housing deprivation from multidimensional Poverty Index



Source: ECV 2019



ANNEX 6: DIAGNOSTIC OF VENEZUELAN IMMIGRATION INTO COLOMBIA

1. This annex provides a summary of the historical trends of the Venezuelan exodus into Colombia between 2015 and 2021. It also summarizes the key impacts and benefits that this phenomenon has had in Colombia's society and economy and provides a chronological summary of the key government policies and programs that Colombia has put forward to integrate Venezuelan migrants into Colombia's society.

OVERVIEW

2. Latin America is experiencing an unprecedented exodus from Venezuela, precipitated by the multifaceted humanitarian, economic and social crisis in the country. After Syria, migration from Venezuelan is the second largest active displacement crisis in the world.¹²³ As of March 5, 2021, an estimated 5.5 million people had fled Venezuela – the majority of which have left the country since 2015.¹²⁴ According to the United Nations' High Commissioner Office for Refugees (UNHCR), migrants from Venezuela are a population in need of international protection, and are therefore considered as refugee-like population.

3. Traditionally a net exporter of migrants, Colombia is the largest recipient of Venezuelan migrants in the world. As of March 15, 2021, there is an estimated 1.7 million Venezuelan migrants in Colombia (of which 49 percent are women)¹²⁵ – approximately 32 percent of all Venezuelan migrants in Latin America. Colombia has the largest land border with Venezuela, and between 2015 and 2021, the migrant population in Colombia grew tenfold. In 2015 (prior to the Venezuelan exodus), there were 147,774 long-term immigrants of all nationalities in Colombia (0.3 percent of the total population).¹²⁶ Today, migrants from Venezuela in Colombia represent 4 percent of the total population.¹²⁷ Further, the impacts of the crisis are geographically concentrated – approximately 25 municipalities in Colombia (of a total of 1,122) host 70 percent of all migrants from Venezuela.

4. Since the exodus of migrants from Venezuela began in 2015, migrants entering Colombia

¹²³ The Venezuelan migration to Colombia is comprised of Colombian returnees, Venezuelan migrants (regular and irregular, in transit and pendular) and refugees and, as such, is considered a mixed migration. Irregular migrants are considered those migrants that have entered through non-authorized checkpoints or are going beyond the limits of authorized human mobility, according to the Ministry of Foreign Affairs definition. Nonetheless, the situation shares key elements with refugee crises in other parts of the world, including (i) the accelerated pace at which it is evolving; (ii) the refugee-like conditions of migrants based on their level of vulnerability; and (iii) related to these conditions, the lack of valid documentation for migrants to enter other countries, including passports. Accordingly, in the assessment of UNHCR, *"an important proportion of the Venezuelans currently present in Colombia may be eligible for refugee status or equivalent protection under applicable international, regional, and national standards, including the 1951 Convention relating to the Status of Refugees, its 1967 Protocol, and the aforementioned Cartagena Declaration."* (UNHCR Assessment Letter, October 19, 2018)

¹²⁴ Situation Response for Venezuelans (R4V), as of March 17, 2021.

¹²⁵ *Migración Colombia*. 2021. *Weekly Report on Venezuelans in Colombia*. Statistic report No. 204. Date March 15, 2021, Source: PLATINUM.

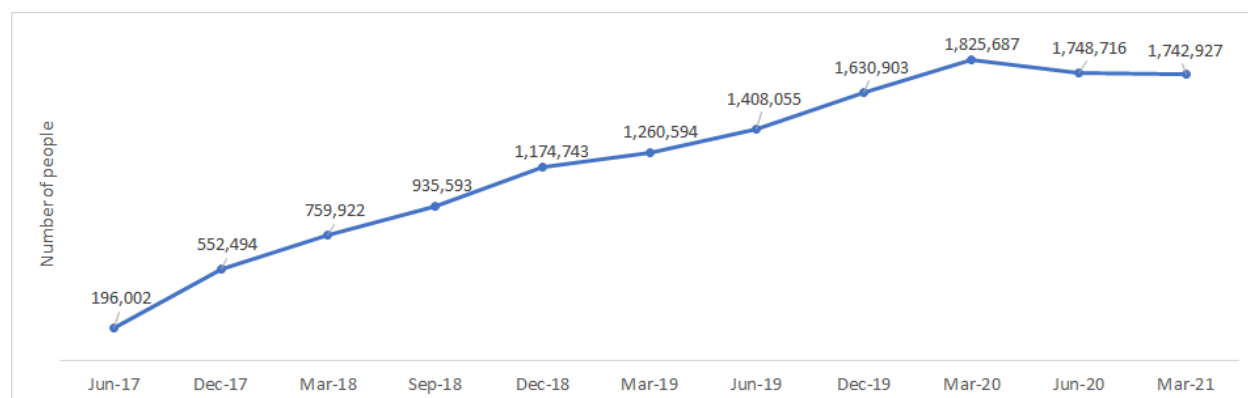
¹²⁶ *Migración Colombia*; own estimations using data from the 2005 National Housing and Population Census and consular records by the Ministry of Foreign Affairs. Presidency of Colombia. 2020. *Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela*. Bogotá, Colombia. *La Imprenta Editores*. ISBN 978-958-18-0474-0.

¹²⁷ Presidency of Colombia. 2020. *Welcome, Integrate and Grow: Colombia's policies regarding migration from Venezuela*. Bogotá, Colombia. *La Imprenta Editores*. ISBN 978-958-18-0474-0.



increasingly exceeded the allowed time of permanence – resulting in a large number of migrants from Venezuela with irregular immigration status. Most migrants from Venezuela intend to stay in Colombia for the long-term, consistent with international experience.¹²⁸ The rapid increase in migration flows demande from the GoC a shift in the focus of its national migratory policy – from one aimed at promoting the repatriation of Colombians living abroad towards the regularization of migrants entering the country. The GoC since 2015 has made substantial policy, institutional and regulatory changes to respond to these massive immigration flows. Authorities at the national and local level have further developed policies, tools and mechanisms to address the needs associated with attending to new migrants from Venezuela.

Figure 16. Venezuelan migrant population in Colombia (2017-2021)



Source: *Migración Colombia*

5. Cognizant of the potential benefits associated with the social and economic benefits of effectively integrating migrants, the GoC instituted a series of regularization mechanisms. In 2017, Colombia created the Special Permit of Permanence (PEP), granting a stay permit for up to two years as an exceptional mechanism to regularize migrants from Venezuelans. This instrument was conceived as a valid identification document for Venezuelan citizens in Colombia. The permit grants regular temporary immigration status and access to health, education, employment, and childcare services at the national, departmental, and municipal levels. PEP holders can carry out any economic activity or legal occupation in the country. Requirements for accessing the PEP included: (i) residing in Colombian territory; (ii) having entered the country through an immigration control post; (iii) having a stamped passport; and (iv) having no judicial record or any current expulsion measure. The PEP was considered an exceptional and transitional measure for two years, after which migrants were expected to transition to visas and other mechanisms for a permanent stay.

6. Seven phases of the PEP were issued between July 2017 and January 2020, regularizing a total of 724,792 Venezuelans – 42 percent of all migrants from Venezuela in Colombia as of March 2021.¹²⁹ These included an exceptional PEP phase through which 442,462 migrants in the Administrative Registry

¹²⁸ De Victor, X. (2016) Forcibly Displaced: Toward a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts. The World Bank.

¹²⁹ *Migración Colombia*. 2021. *Reporte Semanal de venezolanos en Colombia. Seguimiento Estadístico No. 204. Datos al 15 de marzo de 2021, Fuente PLATINUM.*



of Venezuelan Migrants (*Registro Administrativo de Migrantes Venezolanos – RAMV*) system¹³⁰ not having entered the country through an immigration checkpoint were registered. More recently, thematic PEPs, such as the PEP to Foster Formalization (PEP-FF), were aimed at regularizing migrants who have a formal job offer to work in Colombia. In June 2019, Phase 1 of the PEPs expired, with few Venezuelan immigrants having made the transition from the Special Permit of Permanence to visas. The GoC extended the PEPs for an additional two years as they expired.

7. Despite constituting a significant innovation in response to the short-term regularization needs of this vulnerable population, the PEP has presented a few challenges. First, the progressive expiration of PEPs after two years, and the associated need for renewals, evidenced the need for a more permanent regularization mechanism given the protracted length of the humanitarian, social and economic crisis in Venezuela. Only a limited number of migrants were able to transit from PEP to visas. Second, there were challenges associated with public acceptance of the PEP as an identification document, despite significant communications efforts. Lastly, while critical in the early stage of the exodus, the eligibility requirements for PEP has gradually made the instrument less effective in regularizing the migrant population. As the vulnerability of Venezuelan migrants has grown, they are less likely to hold a passport - forcing them to cross through irregular points and hence remain irregular in the country. By January 2021, 56 percent of Venezuelan migrants were irregular.¹³¹

IMPACTS OF THE VENEZUELAN MIGRATION INTO COLOMBIA

8. The unprecedented migration flows into Colombia have had impacts on increased demand for public services (especially in border areas), sometimes exceeding supply capacity. Further, the COVID-19 pandemic added to already high pressures for service delivery and reduced government income at the local and national levels. The impact of the Venezuelan migration on government spending is estimated to be between 0.4 and 0.5 percent of GDP (upper bound estimates).¹³² The World Bank estimated that between 0.26 percent and 0.41 percent of the GDP is required to provide access to public services to the migrant population and the population that returns annually.¹³³ In turn, Fedesarrollo¹³⁴ calculated the fiscal cost associated with providing goods and services to migrants to be between 0.19 percent and 0.42 percent of the GDP given the rapid growth of the migrant population in Colombian territory. The Central Bank¹³⁵ estimates that the fiscal cost of migration could fluctuate between 0.19 percent and 0.42 percent between 2020 and 2022, depending on the total number of migrants benefitting from public services.

9. The long-term economic benefits of migration to Colombia has the potential to outweigh the short-term costs. Notwithstanding the negative short-term costs, migration has the potential to generate economic growth in Colombia at a rate of 0.2 percentual points for every half a million workers entering

¹³⁰ The RAMV is an registry of all irregular migrants in Colombia, undertaken in 2018, which sought to expand information on the migrant population. This process was lead by the National Unit for Risk Management of Disasters (UNGRD), characterizing over 440,000 Venezuelan migrants across the country.

¹³¹ *Migración Colombia. 2021. Reporte Semanal de venezolanos en Colombia. Seguimiento Estadístico No. 204. Datos al 15 de marzo de 2021, Fuente PLATINUM.*

¹³² World Bank 2018, Reina Mesa and Ramírez Tobón 2018, Tribín-Uribe and others 2020.

¹³³ World Bank. 2018. Migration from Venezuela to Colombia – Impacts and response strategies in the short and medium term (page 23). World Bank. Washington, D.C.

¹³⁴ Reina, M., Mesa, C. A. & Ramírez, Tomás. (2018). Elementos para una política pública frente a la crisis de Venezuela (page 97). Bogotá: Fedesarrollo. Cuadernos de Fedesarrollo. No. 69.

¹³⁵ Banco de la República. 2020. Working Papers on Regional and Urban Economy. Fiscal Impact of the Venezuelan Migration.



the labor force.¹³⁶ Economic benefits would result from the upswing of investment and consumption associated with migration. Aiding migrants to find formal jobs and businesses has a direct effect on increasing consumption and investment, which in turn generates greater economic growth and higher tax revenues. Venezuelan migrants are on average younger than the Colombian population, prolonging the demographic dividend. Additional productivity gains due to higher education levels among Venezuelan migrants¹³⁷ can translate into higher tax revenues and aggregate demand.

10. The impact of the Venezuelan exodus in Colombia is geographically concentrated. Initially, migrants from Venezuela arrived in border departments and municipalities. Gradually migrants are displaced towards larger cities in search of employment opportunities. Despite this trend, border areas have persistently experienced a higher incidence of migrants as a share of their local populations. As of December 2020, 80 percent of the migrant population was concentrated in only 10 out of 32 departments. Bogotá is the metropolitan area with the highest number of migrants, concentrating 20 percent of all Venezuelans in Colombia (337,594 migrants). Yet the relative incidence of migrants as a share of its total population remains at only 4 percent, significantly lower than in border departments. Border departments of La Guajira, Arauca, Guainía and Norte de Santander, by contrast, have experienced the largest population due to migration, with the relative incidence rates of migrants as a share of the total population at 16 percent, 15 percent, 12 percent and 11 percent, respectively.

11. Departments and municipalities with a high concentration of migrants and returnees have been most seriously impacted across all sectors. The World Bank (2018) found that these areas are experiencing the largest shortage of services due to the rapid growth in their population – adversely impacting the provision of health, education, water and sanitation, housing, and related services.

12. The strain on basic services caused by the influx of migrants from Venezuela in border areas has exacerbated preexisting development gaps. Border areas broadly classified in two categories: (i) lagging regions as per the Lagging Region Index¹³⁸ e.g. La Guajira and Vichada; and (ii) departments and municipalities with mixed development results, often surrounded municipalities experiencing acute development gaps, e.g. Norte de Santander and Arauca. Lagging regions – prior to the influx of migrants – were already characterized by significant development gaps that have only been aggravated by a large influx of migrants. In the second category of border areas, departments and municipalities with mixed development results, the influx of migrants’ risks straining tenuous development gains in recent years. Against the further backdrop of economic recession, job loss and rising poverty caused by the COVID-19 crisis, border areas highly affected by migration require dedicated attention and target measures.

¹³⁶ World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. <https://openknowledge.worldbank.org/handle/10986/30651> License: CC BY 3.0 IGO

¹³⁷ According to data collected by the Observatory of the Venezuela Migration Project based on the Great Integrated Household Survey (GEIH), at the end of 2019 in Colombia 65.9 percent of Venezuelans living in the country finished high school and very few (4.9 percent) do not have degrees. Likewise, 12.4 percent of Venezuelan migrants had a technical or technological career, 14.9 percent had a professional degree, and 1.9 percent had a postgraduate degree. In other words, 29.2 percent of Venezuelan migrants in Colombia have some degree in higher education. <https://migravenezuela.com/web/articulo/el-rastro-de-los-profesionales-venezolanos-en-linkedin/2505>

¹³⁸ World Bank Group. 2018. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. World Bank, Colombia. World Bank. <https://openknowledge.worldbank.org/handle/10986/30651> License: CC BY 3.0 IGO.



13. Border areas also concentrate a higher share of ethnic groups, indigenous populations, and Afro-Colombian populations – further justifying differentiated attention to support the social and economic integration of migrants. Approximately 22 percent of the total population in border departments belong to ethnic minorities that warrant special attention. These departments are home to 49 percent of the country's indigenous population and 22 percent of the Afro-Colombian population. Border zones also house nine environmentally protected areas – some of which have been hardest hit by the Colombian internal conflict and are included among those prioritized under the Peace Agreements. These include the *Serranías de Catatumbo* (Norte de Santander) and *Perijá* (La Guajira), as well as the municipalities of Arauquita, Saravena, Fortul and Tame in Arauca. Economically, these areas have also experienced significant hardship in recent years due to the extended closure of the Venezuelan border, as their economies have largely relied on cross-border trade. Policies to support border areas should cover a wide scope, including strengthening the resilience of border departments as host areas, measures to strengthen and diversify the economy, as well as mechanisms for linking lagging municipalities with areas of higher economic growth.

14. Unprecedented levels of migration from Venezuela are also placing a considerable strain on the planning and institutional capacities of host communities. Integrating the migrant population at the local level requires the effective provision of basic services, access to the labor market, the proactive management of social dynamics between residents and migrants, and sustainable settlement planning taking into account climate and other physical vulnerabilities. National and local institutions have felt the urgent need to strengthen capacity to coordinate actions and to effectively manage migratory impacts in the short term and enable development gains in the medium and long term.

15. The COVID-19 pandemic had considerable impacts in Colombia on both host and migrant populations. Following the principles stipulated by the UNHCR, IOM, WHO and the Office of the High Commissioner of the United Nations for Human Rights, one of the first measures adopted was closing the Venezuelan border on March 14, 2020, to respond on the one hand to the high epidemiological risk represented by crowds on the border bridges, and on the other hand, to the limited information there was from the health authorities in Venezuela -an indispensable condition for the design and implementation of prevention and containment actions in the border area. Moreover, *Migración Colombia* made the decision to suspend the expiration terms of all migrant permits and documents, to avoid affecting their stay in the country during the quarantine.