

Promoting an Inclusive, Equitable and Efficient Social Protection System in Colombia

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Overview

In 2010, the World Bank set out to help the Government of Colombia in its efforts to help its very poorest citizens through a range of structural reforms, including improvements to its health insurance system, a more streamlined public pension scheme, and preferential access to social services for approximately 1.25 million families.

Challenge

Prior to 2009, Colombia experienced a period of six years of economic growth averaging 5 percent annually, which was higher than the regional average. This growth was accompanied by moderate poverty reduction, but extreme poverty and income inequality were virtually unchanged. At the same time, several challenges remained, especially in terms of the limited coverage of the pension and health systems, and unemployment insurance, which were available mostly to formal workers (with the exception of health). Similarly, programs aimed at fostering employability, such as training, labor intermediation, and other employment services, were not reaching the lower segments of the population. While social assistance programs (such as conditional cash transfers, or access to social services) implemented in the last decade have significantly improved opportunities for poor families, a critical challenge is to enhance the coordination between these programs.

Approach

The International Bank for Reconstruction and Development (IBRD) approved a Development Policy Lending operation to support policies in a broad range of areas, from pension institutions to active labor market policies, in which the Bank has been working with the Government over the past decade.

Results

In particular, this operation supported reforms to: (1) improve the collection of contributions for a more efficient management of social insurance; (2) consolidate the public

More Results



1.25 million

extreme poor families receive family counseling and preferential access to social services

9.7 million

is the number of affiliates to the social security system by December 2010

63

new training institutions had been quality certified by ISO 9001 v. 2000 by December 2010

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pension system for greater efficiency; (3) promote an equitable and sustainable health insurance system; (4) address extreme poverty through an integral strategy of tailored support and preferential access to social services; (5) increase programs' impact through a more agile targeting system; (6) promote greater integration and efficiency through improved information systems and increased monitoring and evaluation; (7) strengthen the national training system to offer relevant and high quality training; (8) establish labor market intermediation and unemployment services that promote effective entry into the labor force; and (9) adapt training programs and active labor market policies to the poorest and most vulnerable.

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The project's key outcomes, drawing upon data provided by the National Planning Department of Colombia, are the following:

- Approximately 1.25 million extreme poor families from almost all municipalities in the country receive family counseling and preferential access to social services under the *Juntos* strategy, up from 900,000 in December 2009.
- The number of affiliates to the social security system reached 9.7 million by December 2010, up from 6.8 million in December 2009.
- The benefits of the subsidized (non-contributory) health insurance regime for children under-12 are now equivalent to those in the contributory regime.
- Around 63 new training institutions had been quality certified by ISO 9001 v. 2000 by December 2010.

Bank Contribution

IBRD provided Colombia a US\$500 million loan facility to support the implementation of the stated reforms. In parallel to this operation, the Bank also provided complementary technical assistance in the form of seminars, policy notes, short technical briefs, as well as direct comments and suggestions for the technical aspects of some of the regulation and policy design in social protection areas.

Moving Forward

The Bank is engaged in a very active dialogue with the Government of Colombia on the policies related to improving its social protection system, and provides the authorities with continuous technical support in selected areas. The Bank continues to provide knowledge services to the sector, as well as support to one of the core social assistance programs (*Familias en Acción*) through an ongoing investment lending operation. Additionally, the Bank is preparing another loan operation designed to support fiscal sustainability and growth resilience, which supports the improved management of social sector liabilities, particularly in the health sector.

Beneficiaries

Improvements in social sector management benefit all citizens through more efficient and transparent central administration, through better access to public service delivery, and through better quality and access to public information.