

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

COLOMBIA

REFORM PROGRAM TO STRENGTHEN THE NATIONAL HUMAN CAPITAL FORMATION SYSTEM - PHASE II

(CO-L1128)

LOAN PROPOSAL

This document was prepared by the project team consisting of David Rosas-Shady (SCL/LMK), Project Team Leader; Roberto Flores Lima, Alternate Project Team Leader (SCL/LMK), Aldo Ortega (SCL/LMK), Carolina Gonzalez-Velosa (SCL/LMK), Ethel Muhlstein (SCL/LMK), Ana Lucía Barragán (SCL/LMK), Francesca Castellani (CAN/CCO), Matteo Grazzi (CTI/CCO), Hugo Ñopo (EDU/CCO), Bernardita Saez (LEG/SGO), Marisol Pinto (CAN/CCO), and Miguel Orellana (FMP/CCO).

This document is being released to the public and distributed to the Bank's Board of Executive Directors simultaneously. This document has not been approved by the Board. Should the Board approve the document with amendments, a revised version will be made available to the public, thus superseding and replacing the original version.

CONTENTS

PROJECT SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING	1
A.	Introduction	1
B.	Background, problem addressed, and rationale	1
1.	Economic, social, and employment context	1
2.	The role of human resource training in the context of low productivity and insufficient workforce integration	2
3.	Colombia's SFCH and the aim to turn it into a CBT system	5
C.	The strategy of the programmatic series	9
D.	Objectives, components, and cost	11
E.	Key results indicators	14
II.	FINANCING STRUCTURE AND MAIN RISKS	14
A.	Financing instruments	14
B.	Environmental and social safeguard risks	15
C.	Fiduciary risks	15
D.	Other risks	15
III.	IMPLEMENTATION AND ACTION PLAN	15
A.	Summary of implementation arrangements	15
B.	Summary of arrangements for monitoring results	16

ANNEXES	
Annex I	Development Effectiveness Matrix (DEM) – Summary
Annex II	Policy Matrix

ELECTRONIC LINKS	
REQUIRED	
1.	Policy letter IDBdocs-#38084090
2.	Means of verification IDBdocs-#37763235
3.	Results Matrix IDBdocs-#37763414
OPTIONAL	
1.	Economic analysis IDBdocs-#37763400
2.	Monitoring and evaluation plan IDBdocs-#37763390
3.	Project Monitoring Report (PMR) IDBdocs-#37764119
4.	Completed sector work index IDBdocs-#37763407
5.	Safeguard screening form IDBdocs-#37754851
6.	Comparative matrix IDBdocs-#37826118

ABBREVIATIONS

CBT	Competency-based training
CEPEFOP	European Centre for the Development of Vocational Training
CIGERH	Comisión Intersectorial para la Gestión del Recurso Humano [Interagency Commission for Human Resource Management]
Col\$	Colombian peso
CONPES	Consejo Nacional de Política Económica y Social [National Economic and Social Policy Council]
DANE	Departamento Administrativo Nacional de Estadística [National Administrative Department of Statistics]
DNP	Departamento Nacional de Planeación [National Planning Department]
ECLAC	Economic Commission for Latin America and the Caribbean
EGERH	Estrategia Nacional para la Gestión del Recursos Humano [National Strategy for Human Resource Management]
GCI-9	Ninth General Increase in the Resources of the Bank
ICT	Information and communications technology
LIBOR	London Interbank Offered Rate
NQF	National Qualifications Framework
OECD	Organisation for Economic Cooperation and Development
PBP	Programmatic policy-based loan
SENA	Servicio Nacional de Aprendizaje [National Learning Service]
SFCH	Sistema de Formación del Capital Humano [Human Capital Formation System]
SICECOL	Sistema de Certificación de Competencias Laborales [Job Skills Certification System]
SIGRH	Sistema de Información para la Gestión del Recurso Humano [Human Resource Management Information System]
SNC	Sistema Nacional de Cualificaciones [National Qualifications System]
WAL	Weighted average life

PROJECT SUMMARY
COLOMBIA
REFORM PROGRAM TO STRENGTHEN THE NATIONAL
HUMAN CAPITAL FORMATION SYSTEM - PHASE II
(CO-L1128)

Financial Terms and Conditions			
Borrower: Republic of Colombia Executing agency: Ministry of Finance and Public Credit, in technical coordination with the National Planning Department (DNP).		Flexible Financing Facility*	
		Amortization period:	20 years
		Original WAL:	Up to 12.75 years**
		Disbursement period:	1 year
		Grace period:	5.5 years
Source	Amount (US\$)	Inspection and supervision fee: ***	
IDB: Ordinary Capital	400,000,000	Interest rate:	LIBOR-based
Local:	0	Credit fee:	***
Total	400,000,000	Currency:	United States dollars from the Ordinary Capital
Project at a Glance			
<p>Program objectives: The general objective of the programmatic series is to help improve the quality and relevance of human resource training as a means of raising labor productivity in the long term. The specific objective of this second operation is to support implementation of the National Strategy for Human Resource Management. It therefore aims to generate the institutional and technical conditions for, and develop the main subsystems and processes of, the future National Qualifications System.</p> <p>This operation has four components: (i) Component 1: Macroeconomic context; (ii) Component 2: Strengthening of the Interagency Commission for Human Resource Management (CIGERH) and productive sector involvement in the CIGERH Technical Committee; (iii) Component 3: Development of the National Qualifications System with the productive sector; and (iv) Component 4: Productive sector involvement in the National Strategy for Human Resource Management.</p>			
<p>Special contractual clauses: Disbursement of the proceeds of this second programmatic operation will be contingent on the agreed targets set forth in the Policy Matrix (Annex II) being met.</p>			
<p>Exceptions to Bank policies: None.</p>			
<p>Project qualifies as: SEQ <input checked="" type="checkbox"/> PTI <input checked="" type="checkbox"/> Sector <input checked="" type="checkbox"/> Geographic <input type="checkbox"/> Headcount <input type="checkbox"/></p>			

* Under the terms of the Flexible Financing Facility (document FN-655-1) the borrower has the option of requesting changes to the amortization schedule, as well as currency and interest rate conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.

** The WAL may be shorter, depending on the actual signature date, but in no case longer than 12.75 years.

*** The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable policies.

I. DESCRIPTION AND RESULTS MONITORING

A. Introduction

- 1.1 The Government of Colombia has made reforming the Human Capital Formation System (SFCH) a priority, to turn it into a job-skill-based continuing training system. The Bank has been supporting this effort through the Reform Program to Strengthen the National Human Capital Formation System, which is being financed with three consecutive annual programmatic policy-based loan (PBP) operations. Although the three operations are independent in financial terms, the conditions established in each operation are guided by the reform framework set in the first operation approved in 2012 (loan 2834/OC-CO, CO-L1112). This project, which is the second in the series, provides US\$400 million in financing, which will be disbursed once the reform conditions agreed in the Policy Matrix have been fulfilled.

B. Background, problem addressed, and rationale

1. Economic, social, and employment context

- 1.2 Colombia has shown strong economic performance in recent years. The GDP growth rate was 6.6% in 2011 and 4% in 2012. Slower growth in 2012¹ was due to a slowdown in both domestic and foreign demand. This was, in turn, the result of the impact of the global slowdown on Colombia's external trade, and the fall in the output of oil and coal. This drop in GDP was particularly noticeable in construction and industry. However, appropriate fiscal policy was followed, and the government met its targets under the medium-term fiscal framework. The national central government deficit in 2012 was 2.4% of GDP.
- 1.3 Faster growth is forecast for 2013, with a national central government fiscal deficit similar to that in 2012. This deficit forecast includes the effects of the tax reform in late 2012. The projected consolidated public sector deficit is 1.0% of GDP. This would bring the country's total financing requirements to Col\$39,813 billion (5.6% of GDP). Within its sources of financing, the national central government has resources that include domestic and external debt disbursements of Col\$33,826 billion (4.7% of GDP), available cash resources at the preliminary year end of 2012 of Col\$2,116 billion (0.3% of GDP), and other resources of Col\$3,000 billion (0.4% of GDP). The government also envisages using external sources of financing of US\$2.6 billion (0.7% of GDP), of which US\$1.6 billion (0.4% of GDP) will be from multilaterals and US\$1.0 billion from bond issues on foreign markets. This operation contributes to the US\$1.6 billion of multilateral financing, accounting for 25% of the total.²

¹ Although Colombia's growth rate was higher than the regional average, it was only 3%. See Economic Commission for Latin America and the Caribbean (2013), Updated Economic Overview of Latin America and the Caribbean, 2012, ECLAC.

² Overall, the Bank's program with Colombia in 2013 plans to disburse US\$842 million, 53% of which represents new multilateral debt for the country this year.

1.4 In the social and employment sectors, the results are similar to those at the start of the programmatic series. Poverty and inequality have been declining, although their levels remain high. The poverty rate and Gini index were 32.7% and 0.539, respectively, in 2012. The main employment indicators also failed to show major improvements. The unemployment rate went from 10.8% in 2011 to 10.4% in 2012, but there are still significant regional differences.³ Moreover, unemployment particularly affected young people and those with less schooling. The youth unemployment rate was 19%, and 82% of unemployed persons do not have a degree or only had a high school diploma. At the same time, in any given year, 75% of formal workers manage to stay employed in the formal sector while just 18% of informal workers find formal work.⁴ The informality rate, measured as a percentage of people in work who do not have access to a pension, went from 68.3% to 67.4%.⁵ Moreover, Colombia's total factor productivity is low relative to the region as a whole (IDB, 2010),⁶ which has a negative influence on its economic growth.

2. The role of human resource training in the context of low productivity and insufficient workforce integration⁷

1.5 **The positive impacts of education and vocational training.**⁸ There is abundant evidence of the positive effects of education on individuals' income and job opportunities.⁹ Analogous evidence on the effects of vocational training, whether in-company or classroom-based, is more recent, but the findings are similar. A number of studies using data from developed countries find a positive impact on workers' earnings and companies' productivity.¹⁰ For example, Haelermans and Borghans (2012) find that in-company training boosts salaries by an average of 2.6%. In Germany, Zwick (2006) estimates that a 1% increase in the percentage of

³ Levels of unemployment are high in Quibdó (17.6%), Popayán (17.5%) and Pereira (16.1%), and lower in Barranquilla (8.3%) and San Andrés (7.5%).

⁴ Based on the Fedesarrollo Longitudinal Survey 2009 and 2010.

⁵ Data from the National Planning Department based on the Large-Scale Comprehensive Household Survey.

⁶ IDB (2010), "The Age of Productivity: Transforming Economies from the Bottom Up."

⁷ It should be noted that these problems have different causes and require a comprehensive strategy to address them. Policies aiming to improve human resource training form a part of this strategy.

⁸ Vocational training is understood to mean a systematic and organized process of education and training whereby individuals acquire and develop job skills throughout their lives (decrees 2020 of 2006 and 4904 of 2009).

⁹ See, for example: Card D. (1999), "The Causal Effect of Education on Earnings," *Handbook of Labor Economics*, Vol. 3.

¹⁰ For a summary of the literature, see Huneus et al. (2012), "Es rentable la capacitación de trabajadores con empleo" [Training employed workers is profitable], IDB Technical Note. See also European Centre for the Development of Vocational Training (CEDEFOP) (2011), "The Impact of Vocational Education and Training on Company Performance," CEDEFOP, Research Paper, No. 19.

employees who are trained would increase companies' productivity by 0.76%.¹¹ The evidence for Latin America is still in the early stages, making it premature to draw firm conclusions.¹² Recently, Gonzalez, Flores, and Rosas (2013) studied a sample of countries from the region and found that vocational training would have a positive impact on productivity, but only in medium-sized and large companies.¹³ In any event, given higher education's coverage problems, and issues with the quality and relevance of training, both in Colombia and the other countries of the region (Cabrol and Székely, 2012),¹⁴ more and better education or vocational training can be expected to boost labor productivity and incomes.

- 1.6 The evidence for the positive effects of education and vocational training have led developed countries to give priority to human resource training and introduce it as one of the cornerstones of policies aiming to improve employability, productivity, and competitiveness. In this context, the vast majority of these countries have opted to develop competency-based training (CBT) systems that aim to coordinate the worlds of work and training. Implementation of such systems has been underway in these countries for several decades, and a number of developing countries are now trying to create them. In Latin America the first countries to begin developing CBT systems were Mexico (1995) and Chile (2002).
- 1.7 **The specific features of CBT systems.** CBT systems are quality systems that make it possible to define, evaluate, and develop individuals' skills (qualifications) relative to the outcomes they are expected to obtain in work in general or in a specific job (Carvallo et al., 2013).¹⁵ The most widely replicated CBT system is that of the United Kingdom, in which the main processes are: (i) standardization; (ii) evaluation and certification; (iii) skills-based training; and (iv) human resource training information. These processes are coordinated by a regulatory authority, and the main elements are described here:

¹¹ Haelermans C. and Borghans L. (2012), "Wage Effects of On-the-Job Training: A Meta-Analysis," *British Journal of Industrial Relations*, Vol. 50, Issue 3, pages: 505-528. Zwick, Thomas (2006) "The Impact of Training Intensity on Establishment Productivity." *Industrial Relations*, Vol 45, No. 1, pp. 26-46.

¹² See, for example: Hong T., et al. (2007), "Evaluating Mexico's Small and Medium Enterprise Programs." World Bank. Washington, D.C; and Ibararán P., Maffioli A.; and Stucchi R. (2009) "SMEs' Policies and Firms' Productivity in Latin America," IZA Discussion Paper No. 4486.

¹³ González C., Flores R., and Rosas, D. (2013), "Manos a la Obra: Los retos de la capacitación que ofrecen las firmas en América Latina" [Down to work: The challenges of training offered by Latin American firms], IDB Technical Note.

¹⁴ Cabrol M. and Székely M. (eds. 2012), "Educación para la Transformación" [Education for Transformation], IDB.

¹⁵ Carvallo R., Aymamí N., and Villalobos A. (2013), "Conceptos Fundamentales y Glosario de Términos del Sistema de Competencia aplicado a la Gestión del Capital Humano" [Fundamental concepts and glossary of terms of the skills-based system applied to human capital management], Consultores Formo Internacional. A number of the concepts used in this section are from this document, which was prepared to support the reform of Colombia's SFCH.

- 1.8 **Standardization.** This allows skills standards to be defined and/or updated. These standards describe the knowledge, abilities, and skills needed to perform productive tasks. They describe what individuals are expected to be able to do, the standard they have to attain, the knowledge and understanding they need to achieve a given result, and the evidence they should produce in order to demonstrate their skill. The standards are prepared by sector committees with the participation of representatives of workers, companies, training institutions, and local and/or central government, concerning a particular sector. These committees operate according to the rules laid down by the regulatory authority.
- 1.9 **Evaluation and certification.** Allows evaluation and certification that a person has the skills described in the standards, i.e. that the person has achieved the expected level of performance, and therefore has the level of competence required for a specific function. The evaluation is carried out by institutions accredited by a certification body, in accordance with the policies and regulations of the regulatory authority, which issues the certificate serving as evidence that individuals are competent, according to the standards.
- 1.10 **Skills-based training.** By expressing productive sectors' skills (or qualifications) needs, standards act as a point of reference when drawing up the curriculum. Skills-based training enables progressive acquisition of ever greater levels of qualification.
- 1.11 **Information on human capital.** Allows the main outcomes of the CBT system to be monitored and provides input with which to evaluate and improve public policies. It is supplied by a variety of different instruments (census, household and/or business surveys, administrative records, with specific questions on training) on human capital supply, demand, and training, and are coordinated under the CBT system.
- 1.12 The productive sector is the main actor in these processes and participates in: (i) defining and updating standards; (ii) ensuring the quality of evaluation and certification processes; and (iii) using the CBT system to manage human resources. The standards also form the basis of the National Qualifications Frameworks (NQFs), which classify qualifications according to a set of levels based on learning outcomes. NQFs allow equivalences to be established between education and vocational training systems. Their levels indicate what the holder of a certificate or diploma theoretically knows, understands, and is able to do (CEDEFOP 2010).¹⁶
- 1.13 **Lessons learned.** Although the development and implementation of a CBT system varies from country to country,¹⁷ international experience suggests that it is hard work and needs close coordination between all the various public and private actors. What is more, building it is a medium- to long-term process involving

¹⁶ CEDEFOP (2010), "Added Value on National Qualifications Frameworks in Implementing the EQF," European Qualifications Frameworks Series, No. 2, European Commission.

¹⁷ Each country's system will depend on its development priorities, unique features, and the structure of production and the labor market.

several stages: conceptual design and design of the operational structure, regulation, sector implementation, and national expansion. Its success is also crucially dependent on the engagement and co-responsibility of the productive sector at all stages.¹⁸ For those reasons, CBT systems need to be constantly adjusted to adequately respond to the interests of the productive sectors that arise and to be assimilated into the training options, as well as to structure and maintain adequate quality assurance procedures in evaluating and certifying competencies. Accordingly, despite having been launched several years ago, Mexico and Chile's CBT systems continue to be reformed to fine-tune them.

3. Colombia's SFCH and the aim to turn it into a CBT system

- 1.14 In Colombia, the Human Capital Formation System (SFCH) is in charge of human resource training.¹⁹ The system has serious limitations, however, and is in need of reform (see CONPES 3674). Its main problems relate to access, equity, relevance, and quality. It also lacks opportunities for continuing education. Some of these limitations were addressed in the first programmatic operation (loan 2834/OC-CO, CO-L1112).²⁰ For example, secondary and postsecondary education do not meet students' expectations or the needs of the productive sector, and less than 10% of postsecondary education establishments and programs have a high quality accreditation. Thus, the majority of courses run by the National Learning Service (SENA), which is the main provider of vocational training,²¹ have no correlation with the productive sector's requirements.²² This is due to the fact that although the SENA is the only supplier of vocational training in the country that implements competence standards,²³ its functions and processes are not framed within a national system and are not implemented according to the principles that govern CBT

¹⁸ Other common factors in success are: (i) relevant key information on training to identify and understand the main market failures and the adjustments that need to be made to the system; (ii) mechanisms to guarantee relevance and quality; (iii) alignment and constant interaction between education and vocational training; and (iv) sustained and coordinated participation by the State, employers, workers, educators, and trainers. See OECD (2012), "Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies," OECD publishing.

¹⁹ This system comprises: (i) formal education: basic education (primary/high school), occupational education (academic and technical), and postsecondary education (technical, technological, and university); and (ii) vocational training, which is delivered by the SENA and public or private institutions.

²⁰ For more details see [IDBdocs-#38049385](#). For another diagnostic assessment see OECD (2010), "Colombia Economic Assessment".

²¹ The SENA trains six million people a year, although 86% of its learners are enrolled in courses lasting no more than 300 hours. The institution has nationwide coverage and has diversified its sphere of activity to embrace all sectors of the economy.

²² This diagnostic assessment is based on a detailed analysis of the institution conducted in 2012 as part of the Bank's work to support the government's request for a program with the SENA.

²³ The standards were developed by 70 sector discussion forums. In 2011 the SENA developed 382 standards, bringing the cumulative total to 2,320, and certified 108,789 individuals, for a cumulative total of 313,026.

- systems, in particular, that the productive sector be the main actor, and that job skills standardization, evaluation, and certification processes be implemented by bodies that are independent from one another, so as to ensure quality and transparency. The SENA also lacks a systematic process of skills-based curriculum development and quality assurance mechanisms for its courses. Its learners receive only academic certification rather than certification of their skills. Moreover, the Colombian government does not have the systematic information it needs to ascertain the productive sector's human capital needs and provide inputs with which to improve the SFCH.
- 1.15 This situation explains the strong preference for university degrees and why less than 30% of students are in technical and technology programs (Saavedra and Medina, 2012).²⁴ It also explains why more than half of recent secondary and post-secondary graduates do not find work in their profession or lack the experience companies require; while at the same time there is a shortage of technical staff, particularly in the more dynamic sectors (such as information technology and electronics).²⁵ According to Manpower (2012), in 2012 a third of the country's firms had difficulty filling their job vacancies.²⁶
- 1.16 **The commitment to a CBT system and the implementation of the National Strategy for Human Resource Management (EGERH).** In order to help improve the SFCH, the Colombian government has decided to transform it into a job-skill-based continuing training system,²⁷ modeled on the system in the United Kingdom. This focus is reflected in both CONPES 3674²⁸ and the 2010-2014 National Development Plan (NDP). To bring about this transformation the implementation of the EGERH has been underway. This was outlined in CONPES 3674 and has been fine-tuned during implementation.
- 1.17 The EGERH makes the relevance and quality of the SFCH a top priority and seeks to create the conditions for the population to accumulate human capital in the context of the future National Qualifications System (SNC). This system will be comprised of the National Job Skills Certification System (SICECOL) and the National Qualifications Framework (NQF). The following Colombian government

²⁴ This percentage is relatively low in comparison with other countries. In Chile it is over 50% and in the United Kingdom over 70%. See Saavedra J. and Medina C. (2012), "La Formación para el Trabajo en Colombia" [Vocational training in Colombia], Universidad de los Andes, Economic Development Research Center (CEDE) documents, No. 35.

²⁵ OECD (2013), "OECD Economic Surveys: Colombia 2013: Economic Assessment" OECD Publishing.

²⁶ Manpower (2012), "Talent Shortage Survey: Research Results." Manpower.

²⁷ In the United Kingdom the term "skills" is used, but in the region the term "job skills" was adopted.

²⁸ CONPES 3674 of 2010: "Lineamientos de Política para el Fortalecimiento del Sistema de Formación del Capital Humano (SFCH)" [Policy Guidelines for Strengthening the Human Capital Formation System (SFCH)]. The National Economic and Social Policy Council (CONPES) advises the government on issues relating to economic and social development and guides the preparation of documents on the development of general policies. These documents have the status of recommendations or guidelines.

agencies are currently responsible for implementing the EGERH: The Ministry of Labor, the National Ministry of Education, the Ministry of Trade, Industry, and Tourism, the Administrative Department of Science, Technology, and Innovation (COLCIENCIAS), the National Planning Department (DNP), the National Administrative Department of Statistics (DANE), the National Learning Service (SENA), and the Administrative Department of the Civil Service (DAFP). The Private Council on Competitiveness (CPC) serves as interlocutor with the productive sector.

- 1.18 The EGERH has an Interagency Commission for Human Resource Management (CIGERH), which is required to meet twice a year to reach agreements on implementation of the EGERH. This Commission guided and coordinated the necessary policies, plans, programs, and measures for implementing the EGERH. The CIGERH is comprised of the highest authorities, or their delegates, of the eight institutions mentioned above. It also has a Technical Committee, which is tasked with developing issues and putting for consideration the items to be agreed on by the CIGERH. The committee is comprised of directors belonging to the aforementioned ministries and delegates of the SENA and the DANE, and is supported by technical working teams tasked with implementing the reforms. The Ministry of Labor currently serves as the Committee's technical secretary and manages CONPES 3674, which is responsible for providing administrative support to the commission and working teams.
- 1.19 **The main challenges and their consequences for the programmatic series.** Converting the SFCH into a CBT system is a long-term proposition involving major challenges. One of the main challenges is institutional. Eight public institutions participate in the EGERH, and these need to coordinate and reach agreements with one another, as well as work closely with the productive sector. Another challenge is technical, as complex methodologies, mechanisms, and technical instruments that are new to most of the EGERH's participants need to be developed. Therefore, among other things, effective implementation of the EGERH requires:²⁹ (i) sufficient technical capacity in the institutions to formulate, execute, and evaluate complex policies aligned with the EGERH; (ii) decisions by the CIGERH bodies leading to policy adjustments and legal/regulatory changes that have the desired effects; (iii) sufficient and ongoing budgetary commitments to finance policy implementation over the long term; (iv) coordination capacity to manage the various different interagency mechanisms for coordination at different levels (national, regional, local, etc.), with other related public policies (competitiveness, innovation, etc.), and with other strategic partners (public and private); and (v) guarantees of effective project execution, which requires the establishment of interagency technical working teams. It is also crucial to involve

²⁹ For more details see: Grafe, F. (2012), "Diagnóstico del modelo de funcionamiento del Consejo Interinstitucional para la Gestión del Recurso Humano – CIGERH" [Diagnostic assessment of the CIGERH's operating model], Consulting report for the IDB.

- the productive sector and give it joint responsibility in all stages of construction of the National Qualifications System (SNC).
- 1.20 Given these challenges, implementation of the EGERH has been slow and laborious. Primarily, interagency coordination and agreements on technical aspects needed to develop the SNC are taking more time than initially envisaged. In the specific case of the programmatic series, the definition of the terms of reference and hiring of the consultants that have been supporting the Government of Colombia by developing work processes to fulfill several of the policy matrix conditions began in early 2013 rather than in 2012 as planned. As a result, certain conditions had to be adjusted.
- 1.21 **The commitment of the Government of Colombia and progress in implementing the EGERH.** The commitment that the government has shown, and which is reflected in the ongoing work of the Committee and its technical work teams, to implement the EGERH and develop the SNC; as well as the consensus-building and learning efforts of the technical teams, under the programmatic series, are enabling concrete process to be made.
- 1.22 First, progress has been made on institutional strengthening, as the CIGERH has been formally established (Decree 1953 in September 2012) and both the Committee and its working teams are operating. Progress has also been made in developing the SNC, since an initial proposal for SICECOL has been drawn up defining the formal recognition of individuals' job skills, regardless of how they were acquired, as its objective. It also defines its components and characteristics. For example, it envisages that the National Accreditation Agency of Colombia (ONAC) would accredit the bodies responsible for evaluating and certifying skills.
- 1.23 In addition, a pilot was launched on job skills standardization, evaluation, and certification in the information and communications technology (ICT) sector in Medellín.³⁰ This pilot is essential, as it is providing both theoretical and practical training to Committee members on job skills standardization, evaluation, and certification processes, and also because it will serve as the primary input for formulating the general rules of operation and the basic operating structure of the those processes. It will also make it possible to complete the SICECOL proposal. Moreover, the productive sector will begin to be familiarized with the importance of job skills and the objectives of the EGERH. As mentioned earlier, the productive sector's involvement is crucial to the SNC's success. Indeed, the Government of Colombia is aware of this, and the pilot is not the only activity to involve the private sector. EGERH dissemination and awareness-raising activities are being run, based on a strategic plan prepared in 2012. This plan states the need to disseminate the EGERH and its objectives to the productive sector using various

³⁰ This sector was chosen based on a selection index developed by the DNP in 2012, the sector's strong links with innovation, which is a main theme of one of the drivers of development put forward in the 2010-2014 Development Plan; and the management of the Private Council on Competitiveness, which demonstrated strong interest in job skills certification among companies in the sector.

media and to engage the productive sector through its participation in the ICT pilot in Medellín and in building the NQF.³¹

- 1.24 The Government of Colombia has formed a full-time interagency working group, called the Technical Team on Skills, to prepare a conceptual document and determine the structure of the NQF. The technical team has prepared several methodological documents that will be used to design the NQF.³² There has also been progress on the development of the SIGRH, as the Sector Statistics Plan has already been prepared, and is due to be implemented during 2012-2014. This plan contains an inventory, description, and diagnostic assessment of the available sources of statistical information and identifies the unmet needs and demand for information that exist. It also proposes measures to raise the quality of the information produced, a plan for the improvement of statistics, the development of new sources of information, and the design and implementation of the SIGRH. Based on this plan a model for predicting human resource requirements is being developed, and a vocational training module is being implemented in the Large-Scale Comprehensive Household Survey, the pilot vacancy survey of the National Labor Demand Information System (SINIDEL) has begun, and the Survey of Companies on Productivity and Human Capital Formation (Company Survey) is also under way.

C. The strategy of the programmatic series

- 1.25 The series aims to contribute to the implementation of the EGERH and development of the SNC. Given that the creation of the SNC requires a long-term effort extending beyond the three years of the series, the aim is to lay the foundation so the Government of Colombia can then implement it adequately. That is because priority has been given to creating the institutional and technical conditions for the SNC, and establishing its main processes. The series is helping the Government of Colombia to make the progress in implementing the EGERH that was mentioned earlier.
- 1.26 The achievements of the first operation were: (i) formalization of the CIGERH and initial drafting of the EGERH's Operating Regulations; (ii) conceptual design of the Job Skills Certification System (SICECOL) and the launch of the process for implementing the pilot SNC; (iii) developing the Sector Statistics Plan for Human Resources Management, and designing the Company Survey; and (iv) establishing a roadmap for involving the productive sector in the EGERH.

³¹ It also aims to improve the communication channels between the productive sector and the education sector through available information systems, such as the Labor Observatory for Education and the Public Employment Service.

³² Casas A, et al. (2012), "Hacia la Construcción de un Marco Nacional de Cualificaciones" [Towards the Construction of a National Qualifications Framework]. Working paper by the Qualifications Technical Team; Casas A et al. (2012), "Revisión de la tipología de resultados de aprendizaje: Una aproximación a los criterios y experiencias para la definición de los descriptores de nivel del marco de cualificaciones colombiano" [Review of learning outcome typology. An approach to the criteria and experience for the definition of level descriptors in the Colombian qualifications framework]. Working paper by the Qualifications Technical Team; and Casas A et al. (2012), "Propuesta de una estructura inicial del MNC" [Proposal for an initial structure of the NQF]. Ministry of Education. Working paper.

- 1.27 This second operation aims to make progress on these areas of development and promote that: (i) resources be included in the national budget for implementing the EGERH and that implementation be monitored from the highest levels of government; (ii) the CIGERH have a technical body with execution capacity (senior management) to step up the pace of implementing the CIGERH; (iii) a thorough analysis of the CIGERH's constituent agencies be conducted in relation to the tasks they are to perform under the EGERH and the institutional structure the CIGERH needs to operate effectively be redefined (including the development of mechanisms and instruments, decision-making rules, and how the productive sector will be incorporated). Together these constitute the main inputs for drafting the EGERH Operating Regulations, which will be key to strengthening the institutional framework of the system and boosting the efficiency of joint work between all the institutions in the EGERH; (iv) the general rules of operation and basic operating structure for the job skills standardization, evaluation, and certification processes and design of the NQF be developed. Both documents will be preliminary, as they will be reviewed by the Committee before being sent for the CIGERH to reach an agreement on them; (v) the Sector Statistics Plan and the Company Survey be implemented. Those inputs will then be used to move forward with developing the SIGRH; and (vi) the productive sector's participation in the SNC and in implementing the EGERH be consolidated, which is crucial for ensuring the success of the SNC.
- 1.28 In the third operation the SFCH will have been consolidated through the establishment of the EGERH's institutional structure and the main policy instruments. The specific aims are for: (i) the national budget to include resources for adequate implementation of the EGERH and that the strategy continue to be monitored at the highest levels of the government; (ii) the CIGERH and senior management to be fully functional; (iii) the EGERH's Operating Regulations, the general rules of operation, the basic operating structure for the job skills standardization, evaluation, and certification processes, the NQF's structure, and the implementation plan for the second Company Survey to be agreed on by the CIGERH; (iv) the first standards to be published and job skills certificates issued, with the active participation of the productive sector; (v) the SIGRH to be designed; and (vi) the productive sector to be participating actively in the EGERH.
- 1.29 **The Bank's technical cooperation and other related operations.** The Bank is providing technical and financial support to the reforms promoted by this series. This support is being given directly through the Bank's technical team and a technical cooperation operation (ATN/CF-13397-CO; CO-X1017) for US\$600,000, financed with resources from the State Secretariat for Economic Affairs of Switzerland (SECO). This technical cooperation operation is supporting: (i) the definition and strengthening of the institutional structure required for the SFCH; (ii) the development and implementation of the pilot SNC, and drafting of the general rules of operation and basic operating structure for the job skills standardization, evaluation, and certification processes; and (iii) the development and implementation of the Company Survey. The Bank's work in this technical

cooperation operation is proving fundamental to achieving the expected outcomes of the programmatic series.³³

- 1.30 **The Bank's country strategy, sector strategy, and GCI-9.** This program is aligned with the Bank's country strategy with Colombia 2012-2014 (document GN-2648-1), which emphasizes the importance of making technical training offerings more relevant. The program also fits into the sector priorities set in the Ninth General Increase in the Resources of the Inter-American Development Bank (GCI-9) (document AB-2764), in particular it calls for a social policy that fosters productivity.

D. Objectives, components, and cost

- 1.31 The general objective of the programmatic series is to help improve the quality and relevance of human resource training as a means of raising labor productivity in the long term. The specific objective of this second operation is to support implementation of the EGERH. It therefore aims to generate the institutional and technical conditions and develop the main subsystems and processes of the future SNC.
- 1.32 The Government of Colombia is committed to implementing the EGERH and has begun the work processes that will allow for fulfillment of the policy measures identified at the outset of the programmatic series. It has also agreed with the Bank to incorporate three new policy measures related to: monitoring at the highest level of government the progress in implementing the EGERH; ensuring there are public resources for properly implementing the EGERH; and restructuring the CIGERH, in particular establishing its senior management. Given the institutional and technical challenges mentioned earlier, the start of several of the processes was somewhat delayed and/or those processes are taking longer than initially planned. As a result, two of the six original conditions: operating regulations of the EGERH (condition c2.1 in the Policy Matrix), and the SIGRH (c3.3), are being prepared, but will only be completed in 2014. Accordingly, in both cases, intermediate outputs and/or stages were established for 2013. Moreover, when the CIGERH was formalized in 2012, it was specified that neither the Committee nor the CIGERH had the authority to approve the documents and/or measures presented to them. The Committee can only receive proposals from the working teams and adapt them, to then forward to the CIGERH, whose members will reach agreement on them. As a result, the conditions on the general rules of operation and basic operating structure for the job skills standardization, evaluation, and certification processes (c3.1) and the design of the NQF (c3.2) are being adjusted. Those documents will be presented

³³ Moreover, the Bank has been executing the Management Support Program for the Quality Education for Prosperity Plan (loan 2709/OC-CO; CO-L1093) that seeks to strengthen technical/technology postsecondary education. Through this project, the country's subnational entities have been invited to submit proposals for forging partnerships (private sector and training sector) to strengthen postsecondary technical and technology education. For more details see: <http://www.mineducacion.gov.co/1621/w3-article-310669.html>.

to the Committee in 2013, reviewed and adjusted that same year, then submitted to the CIGERH for agreement during its first face-to-face meeting in 2014. The two remaining conditions have also been adjusted to improve their scope and wording.³⁴ The components are:

- 1.33 **Component 1: Macroeconomic context.** The objective of this component is for the borrower's macroeconomic environment to be consistent with the program objectives and sector policy letter.
- 1.34 **Component 2: Strengthening of the CIGERH and productive sector involvement in its Technical Committee.** The objective of this component is to promote the development and implementation of the institutional structure required for effective implementation of the EGERH, and to engage the productive sector as a key actor.
- 1.35 For this second operation it was originally envisaged that the CIGERH would approve the EGERH Operating Regulations. The conditions have been adjusted for the following studies to be submitted to the Committee as inputs for the Operating Regulations: (i) an analysis of the bodies most directly involved in managing the EGERH; (ii) an analysis of the country's public policy coordination bodies relating to the EGERH; (iii) institutional strategies to promote the EGERH's development, the management instruments, and decision-making rules; and (iv) the manner in which the private sector should participate in the EGERH's implementation. Three new conditions were also added. The first is presentation to the Committee of a proposed decree for restructuring the CIGERH that includes, among other things: (i) a reduction in the number of Committee members; (ii) the establishment of senior management with technical skills charged with executing the EGERH, with its role and organizational structure laid out in CIGERH operating regulations; (iii) participation of the productive sector as a permanent guest of the CIGERH; and (iv) the involvement of one representative from the Office of the President of the Republic. The second is the for the national government, through the Office of the Senior Advisor on Public and Private Management, to perform quarterly monitoring of: (i) implementation of SICECOL; (ii) implementation of the Human Capital Formation Quality System; (iii) the design of the SNC; and (iv) the design of a Human Resource Forecasting Model. The final condition is for the proposed 2014 budget to include resources for implementing the EGERH.
- 1.36 The following is envisaged for the third operation: (i) the CIGERH has agreed on the regulations and is meeting regularly; (ii) the decree restructuring the CIGERH has been issued; (iii) Office of the Senior Advisor on Public and Private Management continues to monitor progress in implementing the EGERH; and (iv) the proposed budget for 2015 includes resources for the operation of the senior management of the CIGERH and for implementing the SNC.

³⁴ For a detailed description of all the changes, see the comparative matrix provided as an annex to this document.

- 1.37 **Component 3: Development of the National Qualifications System (SNC) with the productive sector.** This component aims to develop the SNC and the SIGRH. To accomplish these objectives, various conditions have to be met in this second operation. Firstly, the Committee was originally to approve the general rules of operation and basic operating structure for the job skills standardization, evaluation, and certification processes. This condition has been changed to the requirement that the general rules of operation and basic operating structure for the job skills standardization, evaluation, and certification processes be submitted to the Committee. After the Committee reviews those documents, it will submit them to the CIGERH so an agreement can be reached thereon. For that reason, for 2014, the CIGERH is to have agreed on them. Moreover, a set of job skills standards and certificates deriving from the pilot in the ICT sector is to have been issued.
- 1.38 Secondly, the Committee is to approve the NQF's conceptual design, defining the number of skills levels and areas of knowledge, with a proposal for its gradual implementation. The wording has been adjusted on this condition that the design of the NQF's structure, establishing the skills levels, and a proposal for its gradual implementation be submitted to the Committee in 2013. Like the previous condition, the CIGERH is to have agreed on the design of the structure of the NQF by 2014.
- 1.39 Thirdly, the Committee was to approve the conceptual and operational design of the SIGRH. The Committee has decided to wait until a number of the inputs to the statistical plan have been implemented before designing the SIGRH. Accordingly, this condition had to be adjusted, now requiring that the report on implementation of the Sector Statistics Plan be submitted to the Committee. This report is to contain: (i) application of the vocational training module in the household survey; and (ii) the launch of the pilot vacancy survey of the the National Labor Demand Information System (SINIDEL). The original condition that the conceptual and operational design of the SIGRH be submitted to the Committee has been included for the third operation.
- 1.40 Lastly, it was envisaged that the Company Survey be conducted, and that its findings and the implementation plan for the second survey be approved by the Committee. In that regard, the final results of the recent survey will be available in late 2013, since the Committee decided that the information on the activity of manufacturing companies should come from the annual manufacturing survey, which will only be available towards the end of each year. This improves the scope of the Company Survey but necessitates a slight adjustment to the condition that the field report on the survey have been submitted to the Committee, together with the implementation plan for the second round of an improved survey. The CIGERH is to have agreed on the implementation plan for an improved survey by 2014.
- 1.41 **Component 4: Productive sector involvement.** This component cuts across Components 2 and 3, as it focuses on achieving the productive sector's active involvement in the EGERH. The original condition was for productive sector participation in the ICT sector pilot that was to be used as input for developing the

general rules of operation and the basic operating structure for the SNC's job-skills standardization, evaluation, and certification processes. This condition has been slightly reworded such that now the requirement is for the productive sector to have participated in the ICT sector pilot that is to be used as input when developing the SNC's general rules of operation. For 2014 the productive sector is to be actively participating in the EGERH.

E. Key results indicators

- 1.42 The [results matrix](#) identifies both the final outcomes and the commitments made by the Government of Colombia regarding implementation of the EGERH, and specifies the means of verification for each indicator: The impact indicators are related to the productivity increase expected by firms and an anticipated increase in job quality for workers obtaining certifications. In the case of the former, the rate of productivity increase is used. In the case of job quality, wages and time spent in formal employment are measured.
- 1.43 **Economic analysis.** An analysis of the monetary benefits of the policy reforms was conducted, based on the benefits in terms of workers' wages and the income of unemployed people who find work. Given that the resources under a PBP are not tied to the cost of implementing the reforms, costs cannot be allocated directly. Instead, an assessment is made as to whether the discounted value of the expected benefits is sufficient to cover the amount borrowed. This analysis shows the program would have a discounted net benefit of US\$43 million.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 **Financial instrument.** This operation, structured as a programmatic policy-based loan (PBP) based on the guidelines for preparation and implementation of policy-based loans (document CS-3633), is the second of three consecutive operations that are technically linked but financed independently. A programmatic series was chosen because it allows policy dialogue with the government to be strengthened in a process of human resource training reform, and was also selected in light of the complexity of the measures pursued, their implementation periods, and the importance of monitoring and adjusting them.
- 2.2 **Amount.** This operation is for a total of US\$400 million, which will be disbursed in a single tranche. The financing for the third operation will be specified at the appropriate time during the annual programming dialogue, taking into account the country's external financing requirements, the priorities of the Bank's strategy with Colombia, and progress on the policy matrix. The amount proposed for this operation is justified by the financing the country needs to maintain a stable macroeconomic environment, the actions and reforms being developed and implemented by the Colombian government, the institutional complexity of the proposed reforms, and their expected results and benefits.

2.3 **Currency.** United States dollars from the Bank's Ordinary Capital.

B. Environmental and social safeguard risks

2.4 The potential environmental impacts were assessed under Directive B.13 of the Bank's Environment and Safeguards Compliance Policy. As a PBP, the operation is not given an environmental classification. The features of the program are such that it has no direct or indirect adverse impact on the environment, natural resources, or indigenous populations.

C. Fiduciary risks

2.5 As this operation is a policy-based loan, the resources are unrestricted, so there is no fiduciary risk.

D. Other risks

2.6 The development of a CBT system involves a medium- and long-term effort that could be affected by the election period and the government turnover in the second half of 2014. This change may result in a loss of interest in implementing the EGERH or in changes in either the CIGERH or the Technical Committee. To mitigate this risk, the operation emphasizes that the SNC should be made a national policy and the SNC should empower and engage the participation of the productive sector to make it the mainstay of the EGERH's continued development. Additionally, general rules of operation will be developed for SNC subsystems and processes to reduce areas of uncertainty over objectives and execution mechanisms and to support their operation in the medium and long term.

2.7 Another risk is that the large number of EGERH institutions may hinder effective coordination, or the key agencies may have no firm commitment to developing the EGERH. To mitigate this risk, the program includes a component to strengthen the CIGERH and has been developing the EGERH's operating regulations and a proposal for strengthening the management of CONPES 3674 to facilitate decision-making and ensure effective coordination.

2.8 **Policy letter.** The Bank has agreed with the Government of Colombia that the policy letter: (i) describes the national government's commitment to the objectives and actions envisaged for the programmatic series; and (ii) emphasizes the consistency of the policies to implement the EGERH and consolidate the SFCH.

III. IMPLEMENTATION AND ACTION PLAN

A. Summary of implementation arrangements

3.1 **Borrower and executing agency.** The borrower is the Republic of Colombia. The borrower will execute the program and utilize the Bank loan proceeds through the Ministry of Finance and Public Credit, which will be the executing agency. The executing agency will implement the program in coordination with the National Planning Department (DNP), which will act as the program technical coordinator,

in conjunction with all the constituent agencies of the Interagency Commission for Human Resource Management (CIGERH).

- 3.2 The DNP, acting through its Social Development Directorate, Credit Subdirectorate, will have responsibility for technical coordination with all constituent agencies of the CIGERH. These units will monitor fulfillment of the commitments stated in the Policy Matrix. The DNP will have the following responsibilities: (i) maintaining official communication with the Bank and delivering reports and evidence of fulfillment of the conditions for the operation, as well as any other reports requested by the IDB, in keeping with the agreed terms and conditions; (ii) pursuing actions to achieve the policy objectives set out in the program; and (iii) gathering, storing, and delivering to the IDB all information, indicators, and parameters enabling the Colombian government and the Bank to monitor, measure, and evaluate program outcomes.

B. Summary of arrangements for monitoring results

- 3.3 Program monitoring consists of verification of the policy measures agreed upon as conditions. The DNP, acting through its Social Development Directorate, will provide the information required in order to verify fulfillment of the progress indicators triggering the subsequent phase of the program and the agreed phases of reform (see [Monitoring and evaluation plan](#)). The reforms will be evaluated by monitoring the outcome indicators in the Results Matrix.

Development Effectiveness Matrix			
Summary			
<i>I. Strategic Alignment</i>			
1. IDB Strategic Development Objectives	Aligned		
Lending Program	Lending for poverty reduction and equity enhancement.		
Regional Development Goals			
Bank Output Contribution (as defined in Results Framework of IDB-9)	Individuals (all, men, women, youth) benefited from programs to promote higher labor market productivity.		
2. Country Strategy Development Objectives	Aligned		
Country Strategy Results Matrix	GN-2648-1	The national job training system has been built up.	
Country Program Results Matrix	GN-2696	The intervention is included in the 2013 Country Program Document.	
Relevance of this project to country development challenges (If not aligned to country strategy or country program)			
<i>II. Development Outcomes - Evaluability</i>	Highly Evaluable	Weight	Maximum Score
	9.1		10
3. Evidence-based Assessment & Solution	9.5	33.33%	10
4. Ex ante Economic Analysis	10.0	33.33%	10
5. Monitoring and Evaluation	7.8	33.33%	10
<i>III. Risks & Mitigation Monitoring Matrix</i>			
Overall risks rate = magnitude of risks*likelihood	Medium		
Identified risks have been rated for magnitude and likelihood	Yes		
Mitigation measures have been identified for major risks	Yes		
Mitigation measures have indicators for tracking their implementation	Yes		
Environmental & social risk classification	B.13		
<i>IV. IDB's Role - Additionality</i>			
The project relies on the use of country systems (VPC/PDP criteria)			
The project uses another country system different from the ones above for implementing the program			
The IDB's involvement promotes improvements of the intended beneficiaries and/or public sector entity in the following dimensions:			
Gender Equality			
Labor	Yes	The general objective of the programmatic series is to contribute to improve the quality and relevance of human capital as a source of long run labor productivity improvement.	
Environment			
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	The Bank is providing technical and financial support to the Technical Committee to develop the reforms promoted by the programmatic series. This support is provided directly by the Bank's technical team and a Technical Cooperation (ATN/CF-13397-CO, CO-X1017) for USD 600,000 financed by the Swiss Cooperation (SECO). This cooperation supports: i) identifying and strengthening the institutional structure required by SFCH; ii) the development and implementation of the pilot of the CNS, and the development of the general operating rules and the basic structure of the NECCL processes; and iii) the development and implementation of the firms survey on human resources training and productivity.	
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan	Yes	The impact evaluation will provide rigorous evidence, currently unavailable, on the impact of labor competencies certification on the productivity of firms and workers wages.	

This operation is the second of three programmatic loans whose general objective is to improve the quality and relevance of human capital as a source of long-run labor productivity improvement.

The diagnosis presents detailed and adequate information on the problems with access, equity, relevance, and quality of the Colombian System of Human Resources Formation, as well as the lack of continuous training opportunities. It also presents evidence on the progress made in the programmatic series. The vertical logic of the operation is adequate. The results and indicators are correctly defined.

The monitoring and evaluation plan includes the necessary elements for tracking disbursement conditions. The plan includes an impact evaluation. The economic analysis is adequate. A study of the results of the programmatic series and the indicators of expected economic benefits are included in the results matrix.

The document identifies the principal risks and mitigation actions.

POLICY MATRIX

Problem	Objective	Operation 1	Operation 2	Operation 3	Outcome
I. Macroeconomic stability					
Maintain a macroeconomic environment conducive to fiscal sustainability.		(c1.1) Maintain a macroeconomic environment conducive to fiscal sustainability.			The macroeconomic policy framework remains consistent with the program objectives and the guidelines established in the Policy Letter.
II. Strengthening of the CIGERH and productive sector involvement in its Technical Committee					
<p>Complex institutional structure proposed by the National Human Resources Management Strategy (EGERH), envisaging involvement of eight public institutions.</p> <p>The EGERH’s governing body is the Interagency Commission for Human Resource Management (CIGERH), which is not yet officially operating and does not have adequate resources or mechanisms to allow it to structure and coordinate the work to be done by the bodies in charge of human resources management and training. Moreover, the productive sector is not an active member of the CIGERH.</p>	Promote development and implementation of the institutional structure required by the EGERH and involve the productive sector as a key actor.	(c2.1) Ministry of Labor Decree “creating the Interagency Commission for Human Resource Management” and other provisions have been issued.	(c2.1) The following studies have been submitted to the CIGERH Technical Committee, as inputs to the integration of the EGERH Operating Regulations: (i) an analysis of the entities most directly involved in managing the EGERH; (ii) an analysis of the country’s public policy coordination bodies relating to the EGERH; (iii) institutional strategies to promote the EGERH’s development, the management instruments, and decision-making rules, which include the private sector; and (iv) the manner in which the private sector should participate in the EGERH’s implementation.	(c2.1.a) The EGERH operating regulations have been agreed on by the CIGERH, reflecting the management model for strategy implementation and defining the scope and responsibilities of the CIGERH, its Technical Committee, its management, the technical subcommissions; and the manner in which the productive sector is involved in the Technical Committee. (c2.1.b) The CIGERH meets regularly.	The EGERH has the institutional structure and resources for its implementation and the productive sector actively contributes to it.

Problem	Objective	Operation 1	Operation 2	Operation 3	Outcome
		<p>(c2.2) Preparation of the National Strategy for Human Resource Management (EGERH) operating regulations has been started by the CIGERH, reflecting the management model for strategy implementation and defining the scope and responsibilities of the CIGERH, the Technical Committee, its management, the technical subcommissions; and the manner in which the productive sector is involved in the Technical Committee.</p>	<p>(c2.2) Presentation to the Technical Committee of the CIGERH of a proposed decree for restructuring the CIGERH that includes, among other things: (i) a reduction in the number of Committee members; (ii) the establishment of senior management with technical skills charged with executing the EGERH, with its role and organizational structure laid out in CIGERH operating regulations; (iii) participation of the productive sector as a permanent guest of the CIGERH; and (iv) the involvement of one representative from the Office of the President of the Republic.</p> <p>(c2.3) The national government, through the Office of the Senior Advisor on Public and Private Management, performs quarterly monitoring of: (i) implementation of SICECOL; (ii) implementation of the Human Capital Formation Quality System; (iii) the design</p>	<p>(c2.2) Issuance of the decree for restructuring the CIGERH, which includes, among other things: (i) a reduction in the number of Committee members; (ii) the establishment of senior management with technical skills charged with executing the EGERH, with its role and organizational structure laid out in CIGERH operating regulations; (iii) participation of the productive sector as a permanent guest of the CIGERH; and (iv) the involvement of one representative from the Office of the President of the Republic.</p> <p>(c2.3) The national government, through the Office of the Senior Advisor on Public and Private Management, performs quarterly monitoring of: (i) implementation of SICECOL; (ii) implementation of the Human Capital Formation</p>	

Problem	Objective	Operation 1	Operation 2	Operation 3	Outcome
			<p>of the SNC; and (iv) the design of a Human Resource Forecasting Model for Colombia.</p> <p>(c2.4) The proposed 2014 budget includes resources for implementing the EGERH.</p>	<p>Quality System; (iii) implementation of the SNC; (iv) the implementation of a Human Resource Forecasting Model for Colombia, and (v) the functioning of the technical senior management.</p> <p>(c2.4) The proposed budget for 2015 includes resources for the operation of the technical senior management of the CIGERH and for implementing the SNC.</p>	
III. Development of the National Qualifications System (SNC) with the productive sector					
<p>There is no common language to facilitate the dialogue between the training sector and the productive sector; nor is there a single mechanism at the national level to ensure the quality and relevance of human resource training. Additionally, there is insufficient information on human resource training in the country.</p>	<p>Develop the National Qualifications System, including processes for the standardization, evaluation, and certification of job skills, and the National Qualifications Framework (NQF). In parallel, define</p>	<p>(c3.1) The conceptual design of the Job Skills Certification System (SICECOL), including the general definitions of system functions, has been approved by the CIGERH Technical Committee.</p>	<p>(c3.1) The general rules of operation and the basic operating structure for the job-skills standardization, evaluation, and certification processes in the National Qualifications System has been submitted to the CIGERH Technical Committee.</p>	<p>(c3.1.a) The general rules of operation and the basic operating structure for the job-skills standardization, evaluation, and certification processes in the National Qualifications System have been agreed on by the CIGERH.</p> <p>(c3.1.b) A set of job skills standards and certificates</p>	<p>The job-skills standardization, evaluation, and certification processes, the NQF, and the information system for the National Qualifications System have been defined, which in the long term will help improve the relevance and quality of human resource</p>

Problem	Objective	Operation 1	Operation 2	Operation 3	Outcome
	and implement the Human Capital Information System (SICH).			deriving from the pilot in the ICT sector has been issued.	training.
		(c3.2) The pilot in the ICT productive sector has been launched, to provide input for development of the general rules of operation and basic operational structure for the SNC job skills standardization, evaluation, and certification processes.	(c3.2) The design of the structure of the National Qualifications System's NQF defining the skills levels and a proposal for gradual implementation have been submitted to the CIGERH Technical Committee.	(c3.2) The CIGERH has agreed on the design of the National Qualifications System's NQF structure.	
		(c3.3) The Sector Statistics Plan for Human Resource Management, containing the inventory and description of the sources of information available in the country; analysis of the statistical operations in these sources; a proposal for their coordination; a proposal for new statistical operations; and an action plan for improvements to these operations, established in consultation with the entities involved, has been completed and submitted to the CIGERH Technical Committee.	(c3.3) A report on implementation of the Sector Statistics Plan has been submitted to the CIGERH Technical Committee containing: (i) application of the vocational training module in household surveys; and (ii) the launch of the pilot vacancy survey of the National Labor Demand Information System (SINIDEL).	(c3.3) The conceptual and operational design of the Human Capital Information System, defining how it coordinates, classifies, processes, stores, and disseminates information on the labor market and human capital formation, has been submitted to the CIGERH Technical Committee.	

Problem	Objective	Operation 1	Operation 2	Operation 3	Outcome
		(c3.4) The DANE has designed the periodic survey of companies on human resource training and productivity, and developed its implementation plan, including design and selection of the sample, field operations, and schedule for delivery of results.	(c3.4) The field report on the company survey and the implementation plan for the second round of an improved survey have been submitted to the CIGERH Technical Committee.	(c3.4) The CIGERH has agreed on the implementation plan for the second round of an improved survey.	
IV. Productive sector involvement in the EGERH					
The productive sector is not involved in the National Strategy for Human Resource Management (EGERH) and does not participate in the CIGERH.	The objective of this component is to involve the productive sector in the EGERH.	(c4.1) The roadmap for the awareness strategy for rapprochement with the productive sector has been defined and approved by the CIGERH Technical Committee.	(c4.1) The productive sector participates in the ICT sector pilot that will provide input for development of the general rules of operation of the National Qualifications System.	(c4.1) The productive sector participates actively in the EGERH.	The productive sector participates actively in the EGERH and the National Qualifications System.