

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

COLOMBIA

PROGRAM TO IMPROVE LOGISTICS EFFICIENCY IN COLOMBIA

(CO-L1328)

LOAN PROPOSAL

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4.	Environmental and social review summary

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2.	Economic analysis
3.	Climate change and sustainability annex
4.	Annex: data tables for sector diagnosis
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ABBREVIATIONS	
ANALDEX	Asociación Nacional de Comercio Exterior (National Foreign Trade Association)
ANDI	Asociación Nacional de Empresarios de Colombia (National Association of Colombian Entrepreneurs)
CDP	Certificado de disponibilidad presupuestal (Budgetary availability certificate)
CITL	Comité de Infraestructura, Transporte y Logística (Infrastructure, Transport, and Logistics Committee)
CPC	Consejo Privado de Competitividad (Private Competitiveness Board)
DIES	Dirección de Infraestructura y Energía Sostenible (Infrastructure and Sustainable Energy Directorate)
DNP	Departamento Nacional de Planeación (National Planning Department)
ENL	Encuesta Nacional Logística (National Logistics Survey)
ESP	Préstamo de Inversión Específica (Specific investment loan)
ESPF	Environmental and social policy framework
GDP	Gross domestic product
ICAP	Institutional Capacity Assessment Platform
IRR	Internal rate of return
NPV	Net present value
OECD	Organisation for Economic Co-operation and Development
OLIC	Observatorio de Logística y Infraestructura (Logistics and Infrastructure Observatory)
ONL	Observatorio Nacional de Logística (National Logistics Observatory)
OPI	Obras por Impuestos (Works for taxes)
PPP	Public-private partnership
QCBS	Quality- and cost-based selection
RLA	Regional logistics alliance
RLP	Regional logistics plan
SENA	Servicio Nacional de Aprendizaje (National Apprenticeship Service)
SIIF	Sistema Integrado de Información Financiera (Integrated Financial Information System)
SNCI	Sistema Nacional de Competitividad e Innovación (National Competitiveness and Innovation System)
SNCP	Sistema Nacional de Contrataciones Públicas (National Public Procurement System)

PROJECT SUMMARY

COLOMBIA PROGRAM TO IMPROVE LOGISTICS EFFICIENCY IN COLOMBIA (CO-L1328)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Republic of Colombia			Amortization period:	25 years
Executing agency:			Disbursement period:	4 years
National Planning Department (DNP)			Grace period:	5.5 years ^(b)
Financing instrument or modality:			Interest rate:	SOFR + funding margin + OC variable lending spread ^(c)
INV-ESP			Credit fee:	^(d)
Source	Amount (US\$)	%	Inspection and supervision fee:	^(d)
IDB (Ordinary Capital):	15 million	100	Weighted average life:	15.25 years
Total:	15 million	100	Currency of approval:	U.S. dollar
			Sector(s):	Trade; Trade Facilitation; Trade Logistics and Customs
			Socioenvironmental classification:	C
Project at a Glance				
General and specific objectives: The general objective of this operation is to contribute to strengthening the development of Colombia's logistics system by increasing institutional capacities and reducing human capital gaps, so as to boost its efficiency and improve its productive and export performance by 2030. Its specific objectives are to: (i) strengthen institutional capacities for the provision of public goods that enable logistics investment; and (ii) strengthen the skills of human talent in logistics management by closing gaps in quantity, quality, and relevance.				
Special conditions precedent to the first disbursement: That the borrower, either directly or through the executing agency, has submitted evidence to the Bank's satisfaction that: (i) the program Operating Regulations have been approved and have entered into force under the terms and conditions previously agreed on with the Bank; and (ii) the project execution team has been selected, comprising the following personnel at least: (i) a technical coordinator; (ii) an operational, planning, and monitoring coordinator; (iii) a procurement specialist; and (iv) a financial specialist.				
Special conditions for execution: Before launching processes to procure consulting services related to the structuring of preinvestment studies and the implementation of pilot projects associated with Component 1, that the borrower, either directly or through the executing agency), has shown to the Bank's satisfaction that the project execution team has two procurement specialists. See also Annex A of the environmental and social review summary (paragraph 4.6).				
Exceptions to Bank policy: None.				

- ^(a) Under the Flexible Financing Facility (FN-655-7), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.
- ^(b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.
- ^(c) Daily compounded SOFR in arrears. The IDB funding margin is determined on a quarterly basis. The IDB Ordinary Capital variable lending spread is determined by the Board of Executive Directors on an annual basis.
- ^(d) The credit fee and the 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 applicable policies.

PROJECT STRATEGIC CONTRIBUTION AND ALIGNMENT SUMMARY

Alignment Justification and Links		
Sustainable economic growth	The program seeks to make logistics markets more efficient, mitigating coordination and market failures that hamper investment by strengthening the State's capacity to provide strategic logistics planning, structure bankable projects, and generate evidence on logistics technologies, complemented by developing specialized human talent. These interventions create enabling conditions for attracting private capital into logistics infrastructure and technological solutions, thus making them more efficient and helping Colombia to participate more fully in international markets (see Annex II).	
Institutional capacity and rule of law	The program strengthens the State's institutional capacity to create enabling conditions for investment in logistics and improve the quality of public policy instruments, particularly in terms of adopting evidence-based technology. Through its first component it identifies institutional gaps and defines actions to close them; and it includes outcome indicators for monitoring them in the results matrix (see Annex II).	
Digital transformation	The program contributes to digital transformation by strengthening the enabling framework for digitalization of the logistics sector, through the development of evidence-based policy instruments that steer private investment in digital technologies. It also generates information on the costs, risks, and returns of adopting such technologies, reducing information asymmetries and facilitating their incorporation into firms' operating models. In addition, it strengthens the digital capabilities of human talent in logistics.	
Gender equality	The program aligns with the objective of gender equality by promoting women's participation in the logistics sector—which is currently no more than 30%—by providing access to job training. The program will incorporate a gender-sensitive approach that involves inclusive recruitment processes and materials, flexible training modalities to facilitate balance with caregiving responsibilities, and dissemination strategies leveraging networks and women's organizations linked to the logistics sector (see Annex II).	
Climate change	Paris Agreement	
	Aligned with climate resilience objective: Simplified analysis (low/moderate physical risk from climate change)	Aligned with decarbonization objective: Universally aligned/simplified analysis FIs
	Climate and green financing	Climate financing
	Climate and green finance (%) of total program budget: 24.43%	Mitigation (%) 24.43%
		Adaptation (%) 0
		Dual (%) 0
		Total climate financing (%) 24.43%
	Adaptation and climate resilience indicator: ☐	Mitigation indicator: ☒ The project includes a crosscutting indicator that measures policy instruments promoting sustainable logistics practices, developed and published based on evidence generated through pilot projects.
	Components 1 and 2 include technical assistance to strengthen institutional capacities to provide enabling public goods for investment in logistics, together with the development of specialized human talent, with the aim of increasing investment in the sector and boosting export performance. These interventions will be actuated through: (i) the provision of technical assistance to local governments for the planning and structuring of logistics projects in the preinvestment phase, incorporating environmental, social, and governance standards, climate change criteria, and climate resilience considerations; (ii) the launch of pilot projects to evaluate the technical, economic, and environmental efficiency of adopting logistics technologies, including the design of a pilot in the cocoa agro-logistics chain, which will draw on lessons learned from the Zero Deforestation Cocoa program in terms of traceability, compliance with the European Union Deforestation Regulation (EUDR), and the integration of small-scale producers into sustainable value chains; and (iii) the delivery of a logistics talent training program, which will include specific content related to green logistics. In addition, energy-intensive	

Alignment Justification and Links	
	consumption will be minimized, since, as stated in the program Operating Regulations, the hardware to be procured (associated with processing and storage capacities) will have energy efficiency labeling equivalent to the Energy Star standard. Overall, the operation is consistent with Colombia's climate policy instruments, with low exposure to risks exacerbated by climate change.
Sustainable Development Goals (SDGs): SDG 5, SDG 8, SDG 9, SDG 13, SDG 16	
Country strategy	
Country strategy	The project aligns with the IDB Group Country Strategy with Colombia 2024-2027 (GN-3238), in the strategic area "Promote higher growth and productivity", particularly with the objective of boosting Colombia's integration into global value chains, by reducing logistics costs. It also contributes to the objective of decarbonizing the transportation sector by generating information and evidence to guide private-sector investment decisions in low- and zero-emission logistics technologies.
Contribution to thematic initiatives and regional programs	
Initiatives and programs	South Connection The project contributes to the objectives of the South Connection Regional Program, specifically given its clear regional value-added. In particular, its activities align with Pillar 2, "Optimizing logistics and trade facilitation to streamline processes, reduce costs, and strengthen supply chains," by fostering greater efficiency in logistics chains. The project also relates to the pillar of "Strengthening regulatory frameworks and institutional capacities to foster better policies, promote investment, and ensure governance efficiency," by strengthening the State's capacity to provide enabling public goods for investment in logistics (see Annex II).

I. PROJECT RATIONALE AND DESCRIPTION

Project highlights. The project shifts the focus of the National Planning Department (DNP) as the lead agency for logistics policy, from policy planning, design, and evaluation to creating enabling conditions to channel private capital into logistics infrastructure and technologies that make the country's logistics system more efficient. It innovates by providing enabling public goods for investment, including efficient logistics planning frameworks, logistics projects with bankable standards, policy instruments based on evidence of the performance and return of logistics technologies, and the strengthening of specialized human talent. These interventions aim to reduce the coordination and market failures that hamper investment in the sector. The operation will be implemented in conjunction with IDB Invest and other areas of the IDB Group, generating synergies with initiatives in infrastructure, decarbonization, rural development, innovation, and private sector financing.

A. Project description

- 1.1 **Objectives.** The general objective of this operation is to contribute to strengthening the development of Colombia's logistics system by increasing institutional capacities and reducing human capital gaps, so as to boost its efficiency and improve its productive and export performance by 2030. Its specific objectives are to: (i) strengthen institutional capacities for the provision of public goods that enable logistics investment; and (ii) strengthen the skills of human talent in logistics management by closing gaps in quantity, quality, and relevance.
- 1.2 **Context. Relative to Colombia's economic potential, its exports are structurally underperforming.** The country exports approximately 70.7% less than would be expected given the size of its economy and population.¹ In the past decade, Colombia's total trade accounted for 38% of gross domestic product (GDP),² and over last 30 years its exports have broadly flatlined at less than 16% of GDP.³ The export basket remains heavily concentrated in a handful of primary products and is dominated by a small number of regions and firms.⁴ In the agriculture sector, coffee, flowers, and bananas account for 77% of exports (the same products that predominated three decades ago),⁵ representing less than 3.8% of the region's total agricultural exports.⁶
- 1.3 **The logistics system's limited development hampers export performance.⁷** In Colombia, logistics costs absorb 15.6%⁸ of sales revenue (compared to an average of 9.5% in the Organisation for Economic Co-operation and Development

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– OECD). Forty-four percent of these costs are generated by transportation, which is affected mainly by poor-quality infrastructure⁹ and heavy reliance on road transport,¹⁰ despite the availability of more environmentally and economically efficient modes.¹¹ In fact, freight transport by road is less energy-efficient than river and rail transport,¹² contributing 4.61% of national CO₂ emissions and nearly 42% of emissions from the transportation sector.¹³ The remaining 56% of logistics costs are associated with how specialized logistics services and technologies are used.¹⁴ Services such as warehousing (33.5%), cold chain (9.4%), customs agencies (4.5%), and container handling (3%) are underused, as are technologies that are critical to operating efficiency: such as traceability (12.5%), electronic data interchange (10%), warehouse management systems (7.8%), cold chain technologies (7.6%), and blockchain (2.2%).¹⁵ These shortcomings generate higher foreign trade costs: export operations cost an average of US\$812.2 per container and imports US\$731.5,¹⁶ almost six times the OECD average. Reducing these gaps requires greater investment in logistics infrastructure and technologies,¹⁷ to enhance the system's efficiency, traceability, and sustainability.

- 1.4 **Main problem.** Colombia faces a structural deficit in investment that reduces the availability and quality of infrastructure and the use of logistics technologies, thereby making the logistics system less efficient. Transport infrastructure investment needs through 2035 are estimated at 2.02% of annual GDP (US\$8.846 billion),¹⁸ whereas actual investment per year in 2021-2024 averaged 1.6% of annual GDP (US\$5.800 billion).¹⁹ Moreover, business investment in logistics technology is marginal (≈0.001% of GDP vs. ≈0.3% in the OECD).²⁰ This gap not only hinders the expansion of transportation infrastructure but also hampers the development of specialized logistics infrastructures²¹ and the sector's digital transformation. In a context of fiscal constraints, the National Planning Department (DNP), as the lead agency for logistics policy, urgently needs to coordinate the implementation of mechanisms that mobilize private capital and consolidate a multimodal, digital, and low-carbon logistics ecosystem.
- 1.5 **Determinants of the problem.** The program addresses the following issues: (i) insufficient institutional capacities to provide enabling public goods for investment in logistics; and (ii) a shortage of human talent with skills in logistics. It does not address: (iii) the supply of logistics technologies and services; (iv) limited

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access to finance for logistics projects; (v) an unfavorable business climate for investment in logistics; and (vi) challenging macroeconomic stability. The unaddressed determinants are developed in the theory of change ([required link 1](#)).

- 1.6 **Determinant 1: Insufficient institutional capacities to provide public goods that enable logistics investment.** Institutional capacity is a key determinant for attracting investment in capital-intensive sectors, such as logistics infrastructure, and in contexts of high technological uncertainty. Evidence shows that a one-point increase in institutional quality is associated with a 23% increase in investment projects.²² Infrastructure improvements of 1% can increase investment in public-private partnerships (PPPs) by up to 2.2%.²³ Moreover, international practice highlights the State's role as a catalyst for technology adoption by providing information and spaces for experimentation that reduce uncertainty, facilitate regulatory adjustments, and mobilize investment.²⁴
- 1.7 However, in Colombia, investment in logistics infrastructure and technologies is hindered by insufficient institutional capacity to provide public goods that are critical to market functioning: (i) clear logistics planning arrangements that reduce coordination failures among stakeholders; (ii) bankable logistics projects that reduce transaction costs for investors; and (iii) evidence on the costs, benefits, and performance of new technologies. The suboptimal provision of these public goods creates information asymmetries and heightens the perceived risks, thereby discouraging private investment in the sector.
- 1.8 First, there are persistent interagency coordination failures, particularly between the national and regional levels, owing to the multisectoral nature of logistics. Poor coordination between the National Logistics Policy and regional planning results in operational inefficiencies, such as haphazard restrictions on freight traffic in urban areas or difficulties accessing ports and airports.²⁵ Moreover, territorial instruments focus on conventional road infrastructure and do not incorporate a comprehensive logistics approach, thus detracting from land-use planning, infrastructure siting, and the structuring of investments aligned with national policy.²⁶ The regional logistics alliances (RLAs),²⁷ which serve as coordination bodies at the territorial level, exhibit low levels of institutional maturity: only four of the 14 existing RLAs (Valle del Cauca, Magdalena, Bogotá-Región, and Santander) have relatively consolidated capacities for planning and implementing logistics projects, while the remainder find it hard to coordinate stakeholders and mobilize investments.²⁸ A recent survey²⁹ confirms these shortcomings: 100% (nine out of nine) report insufficient or limited technical capacity to plan the logistics development of their territory; and 67% (six out of nine) lack logistics planning instruments—such as regional logistics plans (RLPs)—or else have outdated ones or do not use them in

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decision-making. These plans are a key technical tool for aligning national logistics planning with territorial planning and prioritizing logistics projects of regional impact. There are also gaps in access to logistics information and its use for planning and decision-making: 78% of RLAs lack up-to-date and integrated data; and most identify the need to strengthen the use of analytical tools such as the National Logistics Survey³⁰ and the Logistics and Infrastructure Observatory (OLIC).^{31,32} Use of the latter is highly concentrated (70.4% in Bogotá, Medellín, and Cali),³³ while adoption rates in other regions are low.

- 1.9 Second, technical gaps persist in local governments for structuring bankable logistics projects. Eight out of nine RLAs (89%) report shortcomings in technical capabilities, knowledge of structuring methodologies, and access to finance. As these projects integrate infrastructure, logistics services, technology, and regulatory frameworks related to transportation, foreign trade, the environment, and land use planning, there is a need for advanced structuring and institutional coordination capabilities. As a result, the supply of projects that meet adequate preinvestment standards is reduced, diminishing their chances of approval and holding back investment. This shortcoming is reflected, for example, in the fact that 78% of the RLAs surveyed state that their priority logistics projects are not structured. It is also evidenced by the low approval rates obtained by local governments when submitting initiatives to available financing mechanisms, such as Works for Taxes (OPI)³⁴ or the General Royalties System (SGR).³⁵ Between 2023 and 2024, of 112 projects submitted to OPI, only 42% corresponded to transportation/logistics, and of these, just 34% were approved. In the General Royalties System, of 21,290 projects submitted, only 1.8% belong to this sector, with an approval rate of 36.7%.³⁶ Territorial projects submitted for private financing through PPPs display a similar trend: only 10% (six out of 60) of the public initiatives registered in the Single PPP Registry (RUAPP)³⁷ from 2013 to 2022 correspond to logistics projects: 50% are still in the structuring phase, 33% have been rejected or withdrawn, and none have been awarded.
- 1.10 Third, information is still lacking on the performance, costs, and return on investment in logistics technologies, which hinders their adoption and, consequently, the modernization and efficiency of the sector. In situations where information is incomplete—when the benefits and likelihood of success are unknown—firms underinvest in innovation, even when confronted with potentially efficient solutions.³⁸ This market failure, associated with information asymmetries, heightens the risk perception and cost of capital, owing to the lack of public evidence on results and profitability, thereby discouraging investment.³⁹ In

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logistics, this failure is systemic: technological benefits depend on coordinated adoption among stakeholders, generating network externalities that discourage individual investment.⁴⁰ Evidence on costs, benefits, and performance is therefore a key public good for steering investment decisions.⁴¹ Bank studies identify investment return uncertainty as one of the main barriers to technology adoption in transport and logistics firms.⁴² In Colombia, the Innovation and Technological Development Survey (EDIT)⁴³ reports that 49% of firms that introduced logistics innovations⁴⁴ cite lack of information as an obstacle to technology adoption, a proportion that rises to 60% among noninnovative firms. This gap also diminishes the adoption of sustainable logistics technologies and practices, given the uncertainty surrounding their economic, operational, and environmental performance.⁴⁵ In response, public policy needs to play a catalytic role; however, the DNP still lacks the institutional capacity to generate systematic evidence.⁴⁶

- 1.11 **Determinant 2: Shortage of human talent with skills in logistics.** The availability of skilled human capital is a key determinant of investment, as it affects the productivity of capital, reduces risks, and enables technology adoption.⁴⁷ However, logistics talent is scarce worldwide,⁴⁸ particularly so in countries with weaker logistics performance.⁴⁹ In Colombia, 71.4% of firms in the sector cite the lack of highly skilled personnel as their main operational constraint⁵⁰ and report a talent deficit of 66%.⁵¹ Logistics graduates account for just 0.8% of the national total, with high dropout rates (3.35% compared to 18.8% in other fields).⁵² Women participate in about 30% of training processes⁵³ and hold fewer than 29% of jobs in the sector.⁵⁴ Furthermore, 60% of those employed in logistics are underqualified, and only 13% possess advanced digital skills,⁵⁵ which hinders the modernization of the logistics system. In terms of educational offerings, in Colombia there are 259 active programs related to logistics, of which 99 are publicly provided, led primarily by the National Apprenticeship Service (SENA) which has 27 active registrations linked to three programs. There are also 71 education for work and human development programs, 70 of which are private and one is delivered by

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SENA. The National Transport and Logistics Skills Framework (2021)⁵⁶ identifies structural deficits in the quantity, relevance, and quality of training offerings. These focus on basic operational competencies, face a talent shortage relative to sector demand, and lack sufficient development of technical skills to meet the new demands of modern logistics. The latter include supply chain digitalization and automation, the management of foreign trade operations, and the strengthening of critical thinking skills.⁵⁷ The Economic Commission for Latin America and the Caribbean notes a disconnect between the supply of logistics education and productive demand, which it attributes to a failure to update training programs to keep abreast of the pace of change in the industry,⁵⁸ exacerbated by a multitude of local initiatives that fail to come together in a national training strategy.⁵⁹

- 1.12 **Proposed solutions.** The operation proposes a set of solutions that aim to increase logistics investment and thus make the system more efficient, by strengthening institutional capacities to provide enabling public goods for investment in logistics, and by developing human talent to promote the sector. The institutional component combines two solutions: (i) delivering technical assistance to local governments to improve the planning and structuring of projects to meet bankability standards, thereby making it easier to mobilize investment in logistics infrastructure; and (ii) implementing pilot projects, led by the DNP, to generate systematic evidence on the performance, costs, and return of logistics technologies, thereby promoting investment in the adoption and scaling of such technologies. In addition, the initiative includes (iii) developing a training program aligned with sector demand, to address critical skills gaps and leverage investment.
- 1.13 **Solution 1. Technical assistance in the planning and structuring⁶⁰ of logistics projects.** The program will fund technical assistance organized in three lines of action: (i) capacity-building to formulate regional planning instruments;⁶¹ (ii) preparation of preinvestment studies;⁶² and (iii) strengthening of logistics information systems⁶³ in line with international good practices. This comprehensive intervention seeks to establish permanent capabilities within local governments, avoiding fragmented efforts and maximizing the adoption of solutions that help attract investment in logistics infrastructure. Seventy-eight percent of the RLAs see this type of assistance as crucial for structuring viable projects, attracting investment, and optimizing implementation. Improving the quality of planning and consolidating regional investment portfolios constitute key public goods, as they reduce coordination failures, information asymmetries, and the perception of risk for investors. As a result, they channel investment toward multimodal logistics infrastructure and services that help reduce operating costs and times, enhance

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regional connectivity with export corridors, and make freight transportation more efficient.

- 1.14 International evidence shows this approach to be effective. European Commission evaluations of technical assistance programs for regional projects reveal improvements in project quality and shorter approval times.⁶⁴ The World Bank, through its public-private infrastructure advisory program, reports that beneficiary entities strengthened their planning and regulatory frameworks for infrastructure projects.⁶⁵ IDB studies show that providing technical assistance to local governments can generate greater impacts than financing works directly, by improving investment formulation and management capabilities.⁶⁶ In Colombia, the DNP's experiences confirm improvements in institutional capacities based on training programs in project planning and evaluation.⁶⁷
- 1.15 **Solution 2. Pilot projects to generate information that steers investment decisions in logistics technologies.** On a complementary basis, the institutional component will promote pilot projects and prospective studies aimed at generating technical evidence on the performance, costs, benefits, and risks of logistics technologies.⁶⁸ This will make it possible to estimate total ownership costs, asset efficiency, impacts on emissions, infrastructure requirements, and operating conditions in real-world contexts, thereby reducing uncertainty⁶⁹ and guiding investment decisions.⁷⁰ A structured dissemination strategy targeting nonparticipating firms will be implemented to expand adoption. In addition, new capabilities will be developed within the DNP to systematically design and implement pilot projects; and technical support will be provided to sector entities to enable them to turn the results into evidence-based public policy instruments that facilitate technology adoption. This will help accelerate the adoption and scaling of more efficient and sustainable logistics technologies and practices, thereby improving the traceability, reliability, modal integration, and operational efficiency of logistics chains.
- 1.16 International evidence corroborates the state's role in mitigating information failures in technology adoption. As the information generated by pilot projects has public good characteristics—with high experimentation costs and low levels of private appropriability—its provision requires public funding.⁷¹ Studies show that government information support—through pilot projects, policy guidelines, and standards—reduces uncertainty and improves firms' economic evaluation of new technologies.⁷² When this evidence translates into data-driven policy instruments, the State sends a credible institutional signal that guides market

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expectations and mobilizes private investment.⁷³ International experiences show that pilot projects help identify operational, technological, or infrastructure barriers and allow for timely adjustments to policy instruments. Moreover, if the results of a pilot project make a technology less attractive, this can play a key role in preventing inefficient resource allocation.⁷⁴ Its effectiveness depends on combining operational evidence generated under real-world conditions with dissemination mechanisms that propagate the learning among other potential adopters.⁷⁵ In this context, the standardization and open dissemination of results, spearheaded by the DNP, will help guide investment decisions and improve the performance of the logistics sector.

- 1.17 **Solution 3. Development of training opportunities aligned with demand in the logistics sector.** Alignment between workforce skills and the needs of the productive sector is a key determinant of productivity and economic growth.⁷⁶ The logistics sector, characterized by increasing sophistication and both technological and operational evolution, requires short-term training programs that are closely targeted and aligned with the industry's immediate needs. As the lead agency for logistics policy, the DNP⁷⁷ will spearhead the design of a national labor training program⁷⁸ that coordinates existing initiatives and is based on an assessment of the sector's demand for technical and soft skills.⁷⁹ The program will be aligned with the National Qualifications Framework and will deploy a results-based financing approach.⁸⁰ It will also prioritize sector relevance and the verifiable closing of gaps, including specific actions to increase women's participation and employability in the logistics sector.⁸¹ This would help strengthen the sector's capacity to adopt technologies and operate more sophisticated and efficient logistics processes, thereby enhancing the productivity, operational quality, and competitiveness of logistics and foreign trade chains.
- 1.18 International evidence shows that training programs guided by business demand reduce mismatches between the supply of skills and the demand for them. IDB-supported initiatives, such as the finishing schools⁸² in Uruguay, have job placement rates of 83%.⁸³ In Colombia, the EmpleaTura program in Buenaventura—a curriculum designed in collaboration with the private sector for technicians in port logistics and operations—has graduation rates of 86% and job placement rates of 60%.⁸⁴ The World Bank notes that skills planning is an essential State function, and that the strategic importance of logistics clearly justifies

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intervention to strengthen the sector's human capital. Accordingly, it recommends expanding training programs associated with infrastructure development to include upskilling of the logistics workforce.⁸⁵

- 1.19 **Expected project contribution.** The project will contribute to making Colombia's logistics more efficient, driven by greater investment in the sector. To this end, it will help steer private capital into logistics infrastructure and technologies by: (i) building institutional capacities to provide enabling public goods for investment; and (ii) developing specialized human talent in logistics management, which is critical for the sector's modernization. These interventions will help reduce coordination failures, information asymmetries, and capacity gaps that impede investment in logistics, thereby facilitating the expansion of multimodal logistics infrastructure and services, technology adoption, and the operational modernization of supply chains. This will reduce costs and operating times, while also improving the traceability, reliability, and connectivity of logistics chains.
- 1.20 **Beneficiaries.** The program's direct beneficiaries will be the DNP; at least eight local governments (provincial and municipal administrations) belonging to the four RLAs with the highest level of institutional maturity,⁸⁶ which will benefit from stronger capacity to provide enabling public goods for logistics investment; approximately 75 firms involved in logistics and foreign trade chains, which will participate in the implementation and validation of the pilot projects,⁸⁷ thereby contributing evidence on their operational performance, costs, benefits, and viability for potential scaling; as well as sector entities involved in the rollout of logistics policy instruments (agriculture, transportation, trade, finance), which will benefit from stronger capacity to design and issue evidence-based regulatory instruments; and approximately 700 individuals who will receive training and certification in logistics management.⁸⁸ The indirect beneficiaries include: (i) investors in the sector, who will have access to a broader portfolio of structured projects and specialized talent; (ii) 837,207 firms that use logistics services,⁸⁹ and 45,479 firms engaged in foreign trade operations,⁹⁰ which will have better policy instruments and information available to guide their investment decisions.
- 1.21 **Economic analysis.** A cost-benefit evaluation was conducted over a 10-year horizon, yielding a positive net present value (NPV) of US\$2.3 million and an internal rate of return (IRR) of 15.5%, which exceeds the 12% discount rate. The financial benefits stem from lower logistics costs associated with the increased investment in logistics driven by the program; and from higher future income for beneficiaries of the logistics training program. The sensitivity analysis demonstrates robustness, with the NPV ranging from US\$520,000 to US\$1.7 million, and the IRR from 12.7% to 14.4%.

⁸⁵ See [link](#).

⁸⁶ See [link](#).

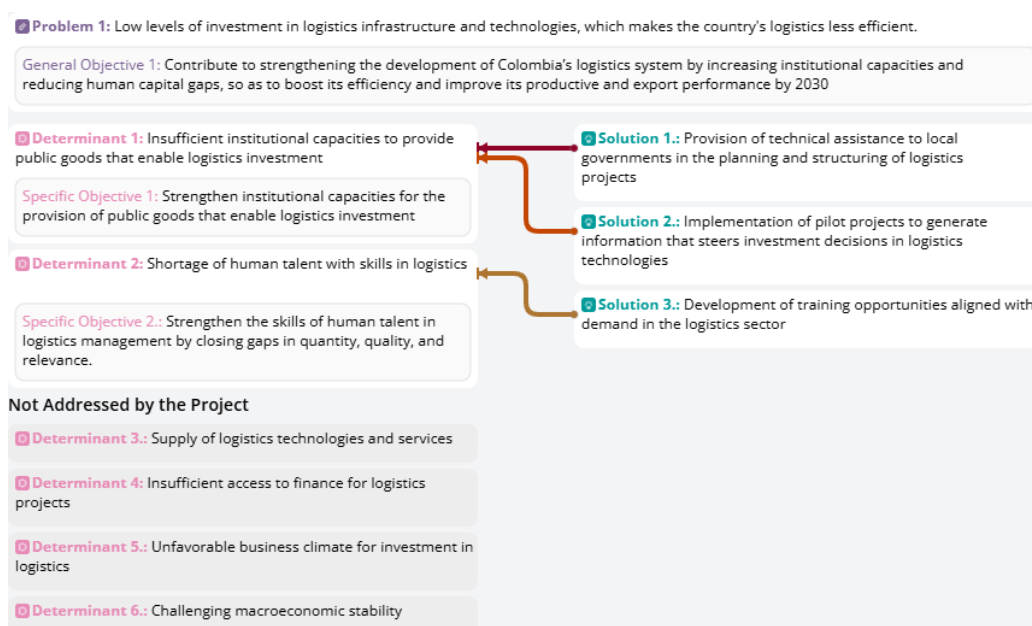
⁸⁷ See [link](#).

⁸⁸ See [link](#).

⁸⁹ See [link](#).

⁹⁰ See [link](#).

Figure 1. Theory of change summary



Notes: [ToC link](#).

B. The Bank's additionality

1.22 Programmatic approach. For nearly two decades, the Bank has supported the transformation of logistics policy in Colombia, making the reduction of logistics costs a central pillar of foreign trade competitiveness. The initial operations ([2540/OC-CO](#); [3130/OC-CO](#);⁹¹ and technical cooperation operations)⁹² supported the formulation and institutionalization of the National Logistics Policy;⁹³ the creation of logistics system governance mechanisms (including the [Public-Private Committee on Logistics and Foreign Trade](#),⁹⁴ the [RLAs](#),⁹⁵ and the [logistics corridor management units](#)),⁹⁶ and the development of strategic sector information assets, such as the [National Logistics Survey](#) and the National Logistics Observatory ([ONL](#)), which made it possible to systematically measure the performance of the logistics system. These initiatives were complemented by regulatory reforms to modernize freight transport⁹⁷ and updating of the National Logistics Policy,⁹⁸ placing greater emphasis on intermodality and trade facilitation.

⁹¹ See [link](#).

⁹² See [link](#).

⁹³ See [link](#).

⁹⁴ See [link](#).

⁹⁵ See [link](#).

⁹⁶ See [link](#).

⁹⁷ See [link](#).

⁹⁸ See [link](#).

- 1.23 On this basis, the most recent operations ([5229/OC-CO](#);⁹⁹ and related technical cooperation operations)¹⁰⁰ consolidated the institutional and strategic architecture for the logistics system. Their main results include: (i) creation of the [DNP Logistics Subdirectorate](#)¹⁰¹ and the upgrading of information platforms (National Logistics Survey, National Logistics Observatory, logistics portal); (ii) the formulation of national [multimodality](#) strategies and [the development of logistics services and specialized logistics infrastructure](#), which prioritize investments in strategic multimodal foreign trade corridors; (iii) progress in trade facilitation, including regulatory and analytical tools for the adoption of the import pre-arrival declaration¹⁰² and container handling in ports and transshipment zones,¹⁰³ thereby reducing border processing times; and (iv) formulation of the national roadmap for the digitalization of agro-logistics chains.¹⁰⁴ These advances were reinforced through complementary interventions in trade facilitation, via the program to improve customs management ([5148/OC-CO](#)) and the programmatic policy-based loan series ([5556/OC-CO](#) and [5982/OC-CO](#)), which supported port policy and modernization of the customs regime.
- 1.24 This operation builds on these advances and proposes a qualitative leap in the focus of the DNP's work as the lead agency for logistics policy, moving from the development of institutional and strategic frameworks to activation of the structural determinants of investment in logistics. In particular, it introduces interventions aimed at: (i) structuring logistics projects with bankability standards, reducing risks, and facilitating the mobilization of private capital; (ii) generating evidence on the performance and return of logistics technologies and decarbonization solutions, to reduce information asymmetries and speed up their adoption; and (iii) closing gaps in specialized logistics talent, which is critical for the sector's modernization. In doing so, the operation seeks to create enabling public goods for logistics investment and to make the system more efficient.
- 1.25 The design of the operation draws on lessons learned from the Bank's previous interventions: (i) the alignment of interventions with long-term logistics planning instruments,¹⁰⁵ ensuring the project's continuity and technical consistency beyond government cycles; (ii) the systematic incorporation of the private sector perspective to ensure that the instruments developed address the real determinants of logistics investment;¹⁰⁶ and (iii) strengthening of the role of local governments, as key actors in regional logistics planning and in attracting investment.¹⁰⁷ Moreover, the operation will be implemented in coordination with initiatives from other sectors of the Bank, thus maximizing the impact of the intervention: (i) the Competitiveness, Technology, and Innovation Division (CTI) will contribute to the adoption of logistics technologies by strengthening business

⁹⁹ See [link](#).

¹⁰⁰ See [link](#).

¹⁰¹ See [link](#).

¹⁰² See [link](#).

¹⁰³ See [link](#).

¹⁰⁴ See [link](#).

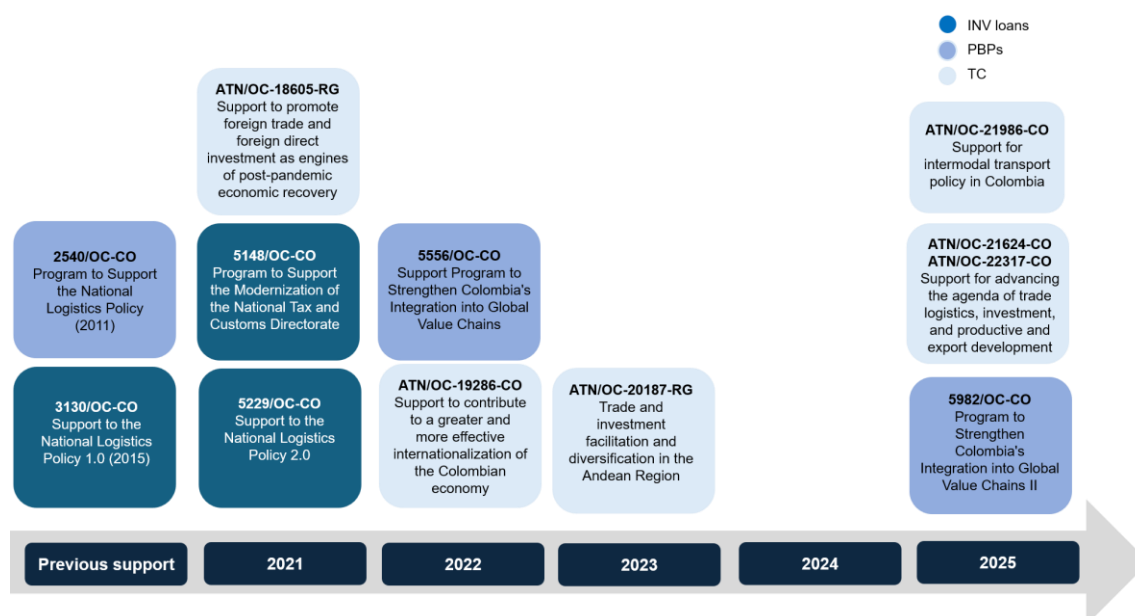
¹⁰⁵ See [link](#).

¹⁰⁶ See [link](#).

¹⁰⁷ See [link](#).

capabilities and developing instruments for technology adoption in the country ([ATN/OC-21110-CO](#), [ATN/PS-20992-CO](#), [ATN/OC-19022-CO](#)); (ii) the Agriculture and Rural Development Division (ARD) will contribute to the design of the pilot in the cocoa agro-logistics chain, incorporating lessons learned from the Zero Deforestation Cocoa program ([ATN/AZ-22404-CO](#), [ATN/PS-22405-CO](#)); the Transport Division (TSP) will complement the interventions by formulating guidelines for resilient rail and riverine infrastructure ([ATN/OC-21986-CO](#)); the Energy Division (ENE) will support logistics decarbonization pilots, including river electromobility and green hydrogen in freight transport ([ATN/SX-20720-CO](#); [ATN/OC-20244-CO](#); CO-L1327); The Social Sector (SCL) will support the design of the job training program, including the results-based financing arrangement ([4934/OC-CO](#)); and the mechanisms for financing technology adoption, developed by the Connectivity, Markets, and Finance Division (CMF), will be disseminated ([5796/OC-CO](#); CO-L1308). Lastly, the operation complements and coordinates with other logistics initiatives led by the national government, promoting alignment of investments and creating synergies between policy, regulation, and implementation.¹⁰⁸

Figure 2. Timeline of Bank support



- 1.26 **Nonfinancial additionality.** The Bank contributes the following: (i) convening power that makes it possible to coordinate public and private actors in the logistics ecosystem, to align policy agendas, coordinate reforms, and facilitate project structuring; (ii) applied knowledge and best practices in structuring logistics projects, technological innovation pilots, evidence-based policy instruments, and impact assessments; (iii) technical and financial synergies with other IDB Group windows, to maximize the operation's impact; and (iv) capacity-building for the

¹⁰⁸ See [link](#).

DNP in project management for results (PM4R), fiduciary processes, monitoring and evaluation, and risk management.

- 1.27 **Synergies with the private sector.** The operation harnesses explicit synergies with the private sector to mobilize investment in the logistics system. First, it strengthens enabling conditions—improvements in logistics planning, project structuring, the generation of evidence on logistics technologies, and human capital development—thereby reducing uncertainty and facilitating investment decisions. Second, it integrates the business perspective through participation by stakeholders such as the Private Competitiveness Board (CPC), the National Association of Colombian Entrepreneurs (ANDI), and the National Foreign Trade Association (ANALDEX), thereby ensuring that the instruments developed respond to real market drivers. Third, it establishes synergies with IDB Invest: (i) technical dialogue with potential investors to inform the design of the operation; (ii) support from the upstreaming team in reviewing preinvestment studies of specialized logistics infrastructure to ensure quality, scale, and bankability; and (iii) dissemination of structured projects among sector clients. These synergies are complemented by IDB Invest's ongoing investments in strategic logistics infrastructure, including the La Dorada-Chiriguaná rail corridor—on which this operation will develop a pilot project to diversify the foreign trade cargo transported by rail.

II. COSTS AND FINANCING STRUCTURE

A. Project components

- 2.1 **Component 1. Strengthening of institutional capacities for the provision of enabling public goods for investment in logistics (US\$12 million).** This component will finance specialized consulting services to design and implement the following:

- (i) **A technical assistance program for planning and structuring regional logistics projects.** The program will provide three complementary lines of action aimed at strengthening local government institutions. Technical assistance will be allocated on a demand-driven basis through open calls for proposals, with periodic evaluations during program implementation, until the funds allocated for this activity are exhausted:¹⁰⁹

- a. **Line of action: *Capacity-building*.** This seeks to develop permanent technical capabilities for logistics planning and project structuring. It will include specialized training, the development of methodologies and technical guidelines for the formulation of regional logistics plans, the prioritization of investment portfolios; and the creation of communities of practice within the RLA framework, aimed at enabling the exchange of experiences, methodologies, and best practices among regions with different levels of institutional development. This arrangement seeks to generate demonstration effects and horizontal learning,

¹⁰⁹ See [link](#).

contributing to the progressive strengthening of logistics planning and management capacities in territories where these are relatively weaker.

- b. **Line of action: *Project Preparation Advisory Services*.** This line of action aims to enhance the quality and bankability of the regional logistics project portfolio. It includes the identification and prioritization of strategic initiatives—in particular, special logistics infrastructure¹¹⁰—the development of preinvestment studies, and the preparation of projects for financing, incorporating environmental, social, and governance standards,¹¹¹ and climate change and resilience considerations.¹¹²
 - c. **Line of action: *Data & Analytics*.** This aims to strengthen the availability and use of information for decision-making. It includes application of the 2028 and 2030 National Logistics Surveys to analyze indicators of regional logistics performance; the development of new Logistics and Infrastructure Observatory functionalities (software and hardware procurement and development); and training in the use of advanced analytics tools for local governments.
- (ii) **Pilot projects¹¹³ and feasibility studies to generate information to guide investment decisions in logistics technologies.** The DNP will be responsible for the design, implementation, monitoring, and evaluation of the logistics pilots, as well as for formulating policy recommendations for their scaling-up.¹¹⁴ The relevant sector and territorial entities will participate from the design phase onward to ensure alignment with sector priorities, support the implementation of pilot initiatives within their respective areas of responsibility, and be responsible for issuing the regulatory, normative, or administrative instruments needed to facilitate the adoption of validated solutions related to sustainable logistics technologies, services, and practices, in accordance with their sectoral and territorial mandates. Specialized consulting services will be financed to design and implement the following:
- a. **A pilot for the adoption of technology in the cocoa agro-logistics chain¹¹⁵ to improve quality, traceability, and access to international markets.** The pilot will be linked to the Zero Deforestation Cocoa project ([CO-T1785](#)), which will contribute to the adoption of geospatial technologies to comply with the traceability and due diligence requirements of the European Union

¹¹⁰ See [link](#).

¹¹¹ See [link](#).

¹¹² See [link](#).

¹¹³ See [link](#).

¹¹⁴ See [link](#).

¹¹⁵ See [link](#).

Deforestation Regulation (EUDR). This pilot will also incorporate end-to-end digital traceability systems that enable farm-to-export product tracking, with interoperability protocols to centralize and share information among supply chain actors. It will also promote the adoption of specialized logistics services—such as freight consolidation arrangements at ports—to reduce trade barriers faced by small-scale producers.¹¹⁶ The pilot will contribute to climate change mitigation by optimizing routes and minimizing empty trips, thereby lowering greenhouse gas (GHG) emissions; and by incorporating metrics to measure carbon footprints and identify decarbonization opportunities, in line with the Nationally Appropriate Mitigation Action ([NAMA](#)) Plan and the Transport Sector Mitigation Action Plan ([PAS](#)).

- b. **Pilot for the adoption of logistics technologies in sectors with export potential to improve supply chain efficiency.** This will be structured in three phases:¹¹⁷ first, a diagnostic and design phase to identify critical processes throughout the supply chain, define the technological scope, and reduce the initial knowledge gap in terms of benefits, costs, and implementation conditions; second, a testing and validation phase under real operating conditions, which will generate technical, economic, and regulatory evidence; and third, a demonstration and dissemination phase, targeted specifically at nonparticipating firms,¹¹⁸ focused on converting the results into verifiable public information on performance, costs, risks, and regulatory requirements, thereby reducing market uncertainty, expanding adoption, and facilitating investment decisions. Firms will participate under cofinancing arrangements, which will align incentives and enable solutions to be scaled up once evidence is available, thus reinforcing ownership and sustainability of the results. The pilot will also contribute to climate change mitigation by generating evidence on technologies that improve energy efficiency,¹¹⁹ in alignment with the Nationally Appropriate Mitigation Action Plan and the Transport Sector Mitigation Action Plan.
- c. **Pilot project for the adoption and comparative evaluation of low- and zero-emission technologies in the logistics chain** (transportation, warehousing, distribution, and last-mile delivery) under real-world operating conditions. A methodology will be developed to compare their performance against conventional technologies, considering indicators such as energy efficiency, costs, transit times, service reliability, and emissions reduction. It will include testing in strategic logistics corridors, as well as monitoring and data collection systems. The evidence generated will make it possible to develop standardized performance

¹¹⁶ See [link](#).

¹¹⁷ See [link](#).

¹¹⁸ See [link](#).

¹¹⁹ See [link](#).

indicators to inform public policy and private investment decisions. The pilot will help align the national logistics system with global decarbonization and sustainable logistics trends.

- d. **Pilot projects for the adoption of best practices and logistics services to connect export cargo from the country's inland areas with ports.**
 - (i) **Pilot for urban nighttime loading and unloading in the Movamos Región metropolitan area (Cali-Jumbo-Jamundí-Palmira) and coordination with the 24/7 port services pilot in Buenaventura.**¹²⁰ This will scale to the regional level the experience previously implemented in Cali,¹²¹ which demonstrated improvements in operating times. The intervention will optimize urban logistics and reduce congestion on the corridors connecting the Valle del Cauca industrial corridor with the port of Buenaventura, interacting with the 24/7 port operations pilot to improve synchronization between urban and port traffic flows. It includes monitoring through indicators such as delivery times, loading/unloading, speeds, waiting times, and logistics costs. It will contribute to climate change mitigation by reducing congestion, fuel consumption, and emissions.
 - (ii) **Pilot project for use of the central rail corridor (La Dorada-Chiriguaná) and coordination with the port of Santa Marta.** This pilot seeks to technically and economically validate the use of the central rail corridor as a competitive alternative for non-coal freight transport, connecting inland production centers with the port of Santa Marta. It will generate evidence on costs, times, operational reliability, and efficiency compared to road transport, with the aim of attracting new cargo owners, fostering modal diversification, and the decarbonization of transport in Colombia. The pilot will involve cargo-generating firms from strategic sectors; the design of intermodal operations (rail, road, and port); implementation of bidirectional pilot shipments; and monitoring and dissemination of results.
- e. **Technical and economic feasibility studies for the adoption of low- and zero-emission technologies.** Priority will be given to studies on fleet electrification for agro-logistics chains and the development of technical guidelines for implementing zero-, low-, and ultra-low-emission zones and green freight corridors, aligning Colombian logistics with international environmental standards.

¹²⁰ See [link](#).

¹²¹ See [link](#).

- f. **Development of new capabilities in the DNP's Logistics Subdirectorate** to design, implement, monitor, and evaluate logistics pilot schemes; together with **comprehensive technical support for sector entities** to implement, scale up, and sustain evidence-based policy instruments that enable the adoption of logistics technologies. This includes assistance with regulatory design, cost-benefit analysis, and international benchmarking; regulatory structuring and drafting; change management; and interagency coordination to facilitate the adoption, effective implementation, and scaling of the instruments developed.

2.2 **Component 2. Strengthening of human talent in logistics management (US\$1.5 million).** This component aims to close logistics skill gaps to enhance sector productivity and facilitate investment. It will finance the following:

- (i) Design and implementation of a national training program in competencies demanded by the logistics sector, aligned with the National Qualifications Framework. The curriculum will be developed in coordination with the productive sector—including institutions such as the Colombian Federation of International Trade Logistics Agents (FITAC), CPC, ANDI, ANALDEX, and chambers of commerce—to ensure sector-specific relevance. The program will offer modular, certifiable, and hybrid training in areas such as logistics services, foreign trade, logistics planning, digitalization, and automation (Internet of Things, data analytics, blockchain, and AI), and sustainable logistics practices. Training offerings will be updated periodically based on evidence and changes in demand. This mechanism will be institutionalized through an intersectoral logistics talent roundtable, attached to the Infrastructure, Transport, and Logistics Committee (CITL) of the National Competitiveness and Innovation System (SNCI) (paragraph 4.2). In addition, the program will incorporate a results-based financing scheme to strengthen beneficiary employability.¹²² It will also include a gender-sensitive approach aimed at increasing women's participation in the logistics sector, by adapting application processes and the contents of training, as well as raising awareness among tutors and instructors to ensure inclusive communication, flexible schedules and delivery methods that facilitate reconciliation with caregiving responsibilities, and targeted outreach through women's organizations and networks linked to the sector. Implementation will involve open calls for proposals to training institutions—both public and private, including SENA—prioritizing those with sector-specific experience, the capacity to integrate training with real productive environments, and territorial coverage.
- (ii) Development of a registration platform (software and hardware procurement and development) for skilled logistics personnel, integrated into the Logistics and Infrastructure Observatory, which will make it possible to register certified profiles, enable the matching of

¹²² See [link](#).

labor supply and demand, and generate information for planning human talent development policies in the logistics sector.

- 2.3 **Administration, monitoring, and evaluation (US\$1.5 million).** Funding will be provided for the teams responsible for the program's technical and operational management (paragraph 3.1), as well as for four audits of the annual financial statements, a final audit, and the midterm and final evaluations required by the Bank.

B. Dimensioning and financing structure

- 2.4 The operation will be financed from the Bank's Ordinary Capital for US\$15 million, with no local counterpart contribution.

Table 1. Estimated program costs (US\$)

Components	IDB	Total	%
Component 1. Strengthening of institutional capacities for the provision of enabling public goods for investment in logistics	12,000,000	12,000,000	80
Component 2. Strengthening of human talent in logistics management	1,500,000	1,500,000	10
Administration, monitoring, and evaluation	1,500,000	1,500,000	10
Total	15,000,000	15,000,000	100

C. Financing instrument or modality

- 2.5 This operation is structured under the specific investment loan (ESP) modality, as it finances a project with a specific objective, defined activities, and complementary and interdependent components. It will also finance both consulting and nonconsulting services, and the procurement of goods (software and hardware) to achieve the program's objectives, thereby fulfilling the criteria of the ESP modality.

III. MAIN RISKS AND MANAGEMENT STRATEGY

A. Risks

- 3.1 **Context risks.** If the change of government gives rise to lengthy transition periods and turnover within the project execution team, implementation could be slowed. Mitigation: (i) anchoring of the project in State policies and long-term logistical planning frameworks; (ii) preparation of an expedited transition plan, with updated multiyear, annual, and procurement planning; and (iii) formalized program Operating Regulations that clearly establish the project's management mechanisms and governance.
- 3.2 **Capacity risks.** The executing agency has proven experience in executing Bank operations ([3130/OC-CO](#) and [5229/OC-CO](#)). The update of the assessment performed by the Institutional Capacity Assessment Platform (ICAP) confirms a robust, low-risk institutional environment with high technical and operational capacity. The program Operating Regulations will be kept up to date to ensure clarity in roles, coordination, and compliance with fiduciary requirements.

- 3.3 Nonetheless, three medium-high risks have been identified. First, fiscal constraints could reduce the budgetary scope for the project, causing delays in allocation of the annual cash flow plan and/or in the approval of future appropriations, thereby affecting implementation. Mitigation: (i) incorporation of these procedures into the program's critical path, synchronized with the national budget cycle; (ii) continuous monitoring of execution against budget appropriations and timely management of future budget allocations with the Ministry of Finance and Public Credit (MHCP); and (iii) Bank support to facilitate institutional dialogue and provide technical assistance to the project execution team.
- 3.4 Second, the technical complexity and volume of the procurements under Component 1—particularly preinvestment studies and pilot projects, which require specialized knowledge of the sector and market, as well as experience in structuring processes for highly technical services—could cause implementation delays and/or affect the quality of the outputs. Mitigation: (i) incorporation of two procurement specialists into the project execution team to ensure an adequate distribution of the workload and timely management of processes; (ii) systematic market analysis to define appropriate procurement strategies and technical specifications; and (iii) structuring of processes with support from the IDB Invest upstreaming team, ensuring competitive terms of reference and contractual conditions.
- 3.5 Third, the complexity of the interagency coordination needed to adopt, implement, and scale logistics policy instruments could delay or impair program outcomes. Mitigation: (i) systematic use of formal coordination mechanisms, such as the Infrastructure, Transport, and Logistics Committee for coordination at the sector level and with the private sector, and use of the RLAs for territorial coordination, to ensure active participation by the entities in the design, execution, and adoption of the interventions; (ii) formalization of collaboration agreements with the relevant sectoral and/or territorial entities, establishing specific responsibilities for the design, implementation, monitoring, and potential scaling-up of the pilot initiatives. (iii) a structured program of technical support for sector and territorial entities to facilitate the implementation, scaling, and sustainability of policy instruments, including technical capacity-building and legal advice for their formulation and adoption; (iv) inclusion of the performance of interagency coordination in the periodic project monitoring reports; and (v) implementation of an incentive scheme that fosters commitment and ownership among participating entities, including priority access to additional resources and/or enhanced institutional visibility.

B. Sustainability

- 3.6 **Sustainability of results.** This includes: (i) institutionalization of methodologies and tools within the DNP's Logistics Subdirectorate for the design, evaluation, and scaling of pilot projects, ensuring their replicability; (ii) formalization of the evidence generated by the pilot projects in sector regulations and policy instruments, ensuring continuity after the end of the program; (iii) institutional and financial viability of the DNP,¹²³ based on the institutional anchoring of instruments such as the National Logistics Survey and the Logistics and Infrastructure Observatory (OLIC), which have been incorporated as permanent functions of the Logistics

¹²³ See [link](#).

Subdirectorate, with standardized methodologies, a defined technical governance framework, and integration into policy instruments such as the National Logistics Policy (PNL); consolidated operational capacities, reflected in specialized technical teams dedicated full-time to the implementation and updating of these tools; and the allocation of sufficient annual national budget resources to cover the marginal costs of these tools, which account for no more than 10% of the Subdirectorate's total budget; (iv) continuous strengthening of the Subdirectorate's technical capacities through protocols, manuals, and knowledge transfer to sustain project structuring, policy formulation, and talent development functions (included in the multiyear execution plan/annual work plan and supported by the ATN/OC-22317-CO operation; (v) formalization of collaboration agreements with the relevant sectoral and/or territorial entities for the design, implementation, and scaling up of pilot initiatives; implementation of an incentive scheme to encourage the participation of the relevant entities; and active interinstitutional coordination with these entities, through the Infrastructure, Transport, and Logistics Committee, to support the adoption of regulatory measures; (vi) engagement of the private sector to secure the demand for and ownership of the public goods generated; and (vii) integration of results into institutional platforms, such as the Logistics and Infrastructure Observatory, to support information generation and evidence-based decision-making.

C. Environmental and social risks

- 3.7 The environmental and social policy framework (ESPF) classified this as a Category "C" operation with low environmental and social risk. Since its scope does not include the financing of physical infrastructure, it is expected to cause, at most, minimal environmental or social impacts. To comply with ESPF requirements, the environmental and social performance standards 1, 2, and 10 were activated; and actions will be considered during project design, as defined in [required link 4](#).

IV. IMPLEMENTATION, MONITORING, AND EVALUATION ARRANGEMENTS

A. Summary of implementation arrangements

- 4.1 **Implementation mechanism.** The borrower will be the Republic of Colombia. The DNP, acting through the Infrastructure and Sustainable Energy Directorate (DIES), will serve as the executing agency, assuming technical, operational, financial, and procurement responsibility for the program vis-à-vis the Bank. The Director of the DIES will provide strategic guidance and exercise overall supervision of the program. The DNP will strengthen the project execution team according to the profiles established in the program Operating Regulations ([optional link 1](#)). In addition, an operating committee will be set up, consisting of the Deputy Procurement Director, the Secretary General, and the Director of the DIES, to serve as a mechanism for the integrated coordination, planning, and monitoring of the program. The program Operating Regulations will specify the implementation and governance framework, as well as management tools, mechanisms for reporting to the Bank, and fiduciary guidelines.
- 4.2 **Interagency coordination mechanisms for implementation.** As the lead agency for logistics policy, the DNP will coordinate the program's implementation with sector entities, and with the private sector through the SNCI's Infrastructure,

Transport, and Logistics Committee (Decree 2212 of 2023), which serves as the formal coordination body for the implementation, monitoring, and evaluation of logistics policy. This committee, led by the DNP, convenes public and private actors,¹²⁴ meets periodically, and has formal monitoring mechanisms through which the design, execution, and monitoring of program activities are coordinated, as well as the technical review of key inputs. At the regional level, the RLAs will be deployed and strengthened as a mechanism for coordination between the national and regional levels, thereby enabling the interventions' operational viability and their adoption and scaling up into policy instruments.

- 4.3 **Level of use of country systems.** The program's fiduciary management will be executed using the national budget, treasury, accounting, and reporting systems, together with the information, shopping, and national competitive bidding mechanisms, according to the thresholds defined for Colombia and pursuant to the agreement signed between the Bank and Colombia Compra Eficiente. This will be done in compliance with Bank rules and policies, including the Financial Management Policy for IDB-financed Projects (OP-273-12), the disbursement guidelines, the Policies for the Procurement of Goods and Works (GN-2349-15 or as updated), and the Policies for the Selection and Contracting of Consultants (GN-2350-15 as updated). The DNP will use project funds to select and contract a Bank-eligible audit firm, preferably for the entire execution period. The program's audited financial statements will be delivered to the Bank within 120 days following each fiscal year-end; and the final audited financial statements will be submitted no later than 120 days after the date specified for the last disbursement. The procurement plan and the financial plan will cover the entire execution period, consistent with the results matrix, the project execution plan, and the annual work plan, as well as with the allocated National General Budget; and it will be updated annually or as required through the Bank's official platforms. See Annex III.
- 4.4 **Lessons learned for project implementation.** First, fiduciary capacity shortcomings are mitigated by assigning two full-time procurement experts to the operation ([optional link 1](#)). Second, governance is streamlined by transitioning to a single executing agency and a single coordination hub, thereby speeding up decision-making. Third, fiduciary and administrative processes are optimized through comprehensive process mapping, workflow standardization, and continuous improvement to reduce repeat processes. Fourth, capacities in terms of project management and IDB regulations are strengthened through training in PM4R and fiduciary management.
- 4.5 **Planning of startup activities and key procurements.** The start of implementation requires the project execution team to be set up to contract consulting services for the design of preinvestment studies and technology adoption pilot projects. In addition, the startup workshop will make it possible to adjust the results matrix, ensure the incorporation of ICAP requirements into the program Operating Regulations, and verify fulfillment of the conditions precedent to disbursement. Neither retroactive financing, recognition of expenses, nor advance procurement are envisaged.

¹²⁴ See [link](#).

- 4.6 **Special conditions for disbursements and execution.** That the borrower, either directly or through the executing agency, has submitted evidence to the Bank's satisfaction that: (i) the program Operating Regulations have been approved and have entered into force under the terms and conditions previously agreed on with the Bank; and (ii) the project execution team has been selected, comprising the following personnel at least: (i) a technical coordinator; (ii) an operational, planning, and monitoring coordinator; (iii) a procurement specialist; and (iv) a financial specialist. Special conditions for execution: before launching processes to procure consulting services related to the structuring of preinvestment studies and the implementation of pilot projects associated with Component 1, that the borrower, either directly or through the project execution team, has shown to the Bank's satisfaction that the unit has two procurement specialists (see [optional link 1](#)). These conditions are essential to ensure proper execution of the program by making sure a clear institutional and fiduciary arrangement is in place from the outset, with a suitable team and an operational framework that enables efficient management and mitigates implementation risks.

B. Implementation arrangements for monitoring and evaluation

- 4.7 **Monitoring and evaluation considerations.** These will be based on: (i) the project execution plan/annual work plan and procurement plan ([required link 3](#)); (ii) the results matrix; and (iii) the monitoring, evaluation, and learning plan ([required link 2](#)). The executing teams will submit semiannual progress reports in accordance with the Bank's project monitoring report (PMR) methodology, which will document progress in achieving the outputs and outcomes agreed upon in the results matrix (Annex II).
- 4.8 **Evaluations.** The executing agency will conduct a midterm evaluation 90 days after 24 months of implementation or when 60% of the loan proceeds have been disbursed, whichever occurs first. The final evaluation will be delivered 90 days after 95% of the loan proceeds have been disbursed, and will include an ex post economic evaluation, replicating the cost-benefit methodology used in the ex ante evaluation.
- 4.9 The program includes an impact assessment of the job training component in terms of retention, job placement, and wages, using an experimental design with randomized oversubscription and panel follow-up, based on administrative records and surveys ([required link 2](#)).

Development Effectiveness Matrix		
	Summary	CO-L1328
I. Development Outcomes - Evaluability		Evaluable
1. Evidence-based Assessment & Solution		7.8
1.1 Program Diagnosis		2.0
1.2 Proposed Interventions or Solutions		3.5
1.3 Results Matrix Quality		2.3
2. Ex ante Economic Analysis		8.0
3. Monitoring and Evaluation		10.0
3.1 Monitoring Mechanisms		4.0
3.2 Evaluation Plan		6.0
II. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Low
Environmental & social risk classification		C
<i>Evaluability Assessment Note (completed by SPD): The purpose of this note is to provide an overall assessment of the project's evaluability, as well as to ensure that the Board understands why scores were or were not given to the project.</i>		
I. Quality of the diagnosis and proposed solutions		
The project "Program to Improve Colombia's Logistics Efficiency" (CO-L1328) aims to contribute to the development of Colombia's logistics system by enhancing institutional capacities and narrowing human capital gaps, with the aim of increasing its efficiency and its productive and export performance by 2030. Its specific objectives are: (i) to strengthen institutional capacities for the provision of public goods that enable logistics investment; and (ii) to strengthen the logistics management competencies of human talent by closing gaps regarding quantity, quality, and relevance. The underlying problem that the project addresses is identified as weak export performance associated with a logistics investment gap, driven mainly by insufficient institutional capacity to provide enabling public goods and by a shortage of qualified human capital in logistics. The diagnostic quantifies those problems and draws on evidence on the effectiveness of the proposed solutions in comparable contexts. The vertical logic is reasonable, although the link from institutional strengthening and training in logistics to national productive and export performance remains somewhat indirect.		
II. Quality of the Results Matrix		
The Results Matrix largely reflects the vertical logic of the project and includes impact, outcome, and output indicators with baselines, targets, and means of verification that meet the Bank's minimum evaluability requirements.		
III. Economic Analysis		
The CBA identifies program costs and private costs, and benefits from logistics-cost savings and training, yielding an internal rate of return (IRR) of 15.5%. Its assumptions are in line with relevant indicator values in the Results Matrix, as well as with the literature. The sensitivity analysis tests higher private costs and a scenario limited to logistics-cost savings.		
IV. Monitoring and Evaluation		
The monitoring and evaluation plan is well developed and includes annual output planning, defined means of verification, clearly identified data sources, and a dedicated budget for monitoring and evaluation activities. It is particularly strong for implementation tracking and for the attribution evaluation embedded in the training component. The evaluation strategy for the institutional-capacity component relies more on intermediate results.		
V. Other evaluability topics to highlight (if applicable)		
Changes to the wording of the General and Specific Objectives were requested by the client during the negotiation stage; while these changes do not fundamentally alter the vertical logic of the project, they do have some bearing on the extent to which Results Matrix indicators are able to fully capture the objectives.		

RESULTS MATRIX

STATEMENT OF PROJECT DEVELOPMENT OBJECTIVES

General development objective:	The general objective of this operation is to contribute to strengthening the development of Colombia's logistics system by increasing institutional capacities and reducing human capital gaps, so as to boost its efficiency and improve its productive and export performance by 2030.
Specific development objectives:	The specific objectives are to: (i) strengthen institutional capacities for the provision of public goods that enable logistics investment; and (ii) strengthen the skills of human talent in logistics management by closing gaps in quantity, quality, and relevance.

A. GENERAL DEVELOPMENT OBJECTIVE

No.	Indicator	Unit of measure	Baseline		Evaluation scenario		Comments
			Value	Year	Target	Year	
I.1	Logistics cost as a percentage of sales	Percentage	15.6	2025	13.5	2035	The indicator measures the average national logistics cost as a percentage of total domestic sales, based on the revenue reported by the firms surveyed. A lower percentage indicates a more efficient use of resources throughout the supply chain.
I.2	Variation in logistics investment	US\$ million	8,483	2025	8,615	2035	The indicator measures the value of gross fixed capital formation in logistics infrastructure in US\$ millions (including transportation infrastructure, machinery, transportation equipment and related services, and activities associated with logistics).

B. SPECIFIC DEVELOPMENT OBJECTIVES

No.	Indicator	Unit of measure	Baseline		Evaluation scenario		Comments
			Value	Year	Target	Year	
SO1: To strengthen institutional capacities for the provision of public goods that enable logistics investment							
R1.1	Regional logistics plans formulated with program support, formally adopted by local governments and used to guide logistics investment decisions.	#	0	2025	4	2030	See required link 2 .
R1.2	Logistics projects that achieve technical viability for financing, as a result of the program's technical assistance.	#	0	2025	2	2030	See required link 2 .
R1.3	Logistics policy instruments adopted and published, incorporating evidence generated from pilot projects.	#	2	2025	5	2030	See required link 2 .
SO2: To strengthen the skills of human talent in logistics management by closing gaps in quantity, quality, and relevance							
R2.1	Students completing the training program in competencies demanded by the logistics sector.	#	0	2025	490	2030	See required link 2 .
R2.2	Graduation rate of the training program in competencies demanded by the logistics sector.	Percentage	0	2025	60%	2030	See required link 2 .
R2.3	Proportion of participants graduating from the logistics management training program who are women.	Percentage	0	2025	40%	2030	See required link 2 .

C. OUTPUTS

No.	Indicator	Unit of measure	Baseline value	Year 1	Year 2	Year 3	Year 4	Year 5	Year Baseline	EOP value	Comments
Component 1: Strengthening of institutional capacities for the provision of enabling public goods for investment in logistics											
P1.1	Technical assistance program for the planning and structuring of regional logistics projects designed and implemented (<i>Capacity Building</i>).	#	0	0	0	0	1	0	2026	1	
P1.2	Preinvestment studies for strategic logistics projects conducted (<i>Project Advisory Services</i>).	#	0	0	1	1	1	0	2026	3	
P1.3	Logistics planning information and analytics system strengthened (<i>Data & Analytics</i>).	#	0	1	0	0	3	0	2026	3	Includes: (i) Application of the 2028 National Logistics Survey (ENL); (ii) Application of the 2030 ENL; and (iii) development of new functionalities for the Logistics and Infrastructure Observatory (OLIC).
P1.4	Pilot projects for the adoption of logistics technologies for export chains designed and implemented.	#	0	0	1	2	2	0	2026	5	
P1.5	Technical and economic feasibility analysis for the adoption of low- and zero-emission technologies developed.	#	0	0	0	1	1	0	2026	2	
P1.6	Methodology and digital application for the comprehensive management (design, implementation, monitoring, systemization, and analysis) of pilot logistics interventions developed and implemented.	#	0	0	1	1	0	0	2026	2	
Component 2: Strengthening of human talent in logistics management											
P2.1	Training program for employment in the logistics sector designed and implemented.	#	0	0	0	1	0	0	2026	1	
P2.2	Logistics human talent registration platform developed.	#	0	0	0	0	1	0	2026	1	

D. OTHER INDICATORS OF CROSSCUTTING THEMES

No.	Indicator	Unit of measure	Baseline		Evaluation scenario		Component	Remarks
			Value	Year	Target	Year		
T1	Logistics policy instruments that promote sustainable practices adopted and published, based on evidence generated by pilot projects.	#	1	2025	2	2030	1	See required link 2 .

Country: Colombia

Division: PTI/TIN

Operation No.: CO-L1328

Year: 2026

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: National Planning Department (DNP)

OPERATION NAME: Program to Improve Logistics Efficiency in Colombia

Key execution considerations and fiduciary team requirements

☐	Cofinancing	Not applicable.
☐	Coexecuting agencies / Subexecuting agencies	Not applicable.
☐	Projects with financial intermediaries	Not applicable.
S	Composition of fiduciary team	The program's executing agency is the DNP, acting through the Infrastructure and Sustainable Energy Directorate (DIES), which will assume technical, operational, financial, and procurement responsibilities vis-à-vis the Bank. The Director of DIES will exercise general oversight and define the program's strategic guidelines. The DIES will be supported by the financial, planning, and procurement sub-directorates, as well as a project execution team. The latter will include, among other personnel, a financial management specialist and two procurement specialists with experience in projects financed by multilateral development agencies. The DNP already has a team of fiduciary specialists in place, who have managed investment projects under national legislation and Bank policies in recent years. The program Operating Regulations will describe the project team professionals' profiles, qualifications, and level of staff hours. Given the complexity and risk of the operation, it is recommended that these professionals be assigned full-time to the program. The program Operating Regulations will also contain details on the roles, responsibilities, coordination mechanisms, and procedures needed to ensure that the fiduciary, financial management, and procurement requirements are fulfilled during program execution.
S	Other issues	For the execution of externally funded programs, governance is strengthened through crosscutting interaction between the technical and support areas. The DNP's project execution team will report directly to the DIES, supported by the General Secretariat, who

		acts as the expense authorizing officer with responsibility for resource management, procurement, and the administrative stability needed for institutional operation. The DIES, acting through its project execution team, will be responsible for the program's planning, implementation, and technical, operational, and fiduciary supervision, as well as for coordinating evaluation and audit activities. As a mechanism for integrated coordination, planning, and monitoring of the program, an operating committee will be set up, comprising the Deputy Director of Procurement, the Secretary General, and the Director of the DIES, all of whom will have a voice and a vote. The operating committee will be responsible for approving matters related to the program's planning and procurement; and, in particular, it will approve and make recommendations regarding the following: ▪ The program's management instruments and any substantial changes thereto. These include the results matrix, the multiyear execution plan, the annual work plan, and the procurement plan; ▪ Terms of reference, technical specifications, and selection methods; and ▪ Matters deemed relevant to program implementation.
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I. FIDUCIARY CONTEXT

1. Country and sector context

Maturity level of fiduciary systems: ▪ Financial management: According to the assessment of the country public financial management system using the Public Expenditure and Financial Accountability (PEFA++ 2024) reference framework,¹ Colombia's public financial management system in 2024 is well aligned with international good practices. Its main strengths are concentrated in the programming, formulation, and budget approval phases, while improvements could be made in the execution, control, and accountability phases of the budget cycle. The program's financial management will be conducted through the budget, treasury, accounting, and reporting country systems, as described in Section 4 on the budget cycle and flow of funds. ▪ Procurement management. The advanced use of Colombia's National Public Procurement System (SNCP) was approved by the Bank in 2019, after its robustness and alignment with international practices were confirmed. The agreement signed between the Bank and the National Public Procurement Agency – Colombia Compra Eficiente (CCE)² defines its scope of application and the mechanisms to ensure efficient and transparent management of resources. Thus framed, the approved procurement plan will identify the contracts that apply the SNCP.

¹ [PEFA++ 2024 Report](#).

² [Colombia Compra Eficiente](#).

Execution environment. The DNP's track record in implementing IDB-financed operations—specifically through loans 3130/OC-CO and 5229/OC-CO (currently executing)—together with its experience in World Bank projects, provide a propitious execution environment for the program.

The January 2026 assessment performed by the Institutional Capacity Assessment Platform (ICAP) found the DNP to have satisfactory institutional capacity, together with technical, organizational, and management strengths that underpin its performance in international cooperation operations. Opportunities for improvement have been identified, focused on: (i) strengthening operational capacity and the time commitment of key roles; (ii) optimizing workflows and control points in operations with the Bank; and (iii) improving operational efficiency, particularly in procurement and contracting. In the case of budgetary issues, priority monitoring is recommended for critical procedures, to ensure that future appropriations are secured on a timely basis, the inclusion of resources in the annual budgets, and the cash flow needed to meet obligations to the Bank in accordance with the annual cash flow plan.

Market complexity. Program procurements mainly involve services provided by firms, for which there is a broad and well-developed range of local and international suppliers with a presence in the country. This enables the DNP to interact fluently with the market, thereby reducing the complexity of selection and contracting processes and making it easier to incorporate lessons learned from the execution of previous projects.

The logistics of service delivery may require a presence in the project's intervention areas, which could include regions affected by contexts of fragility, conflict, and/or criminal violence. In such cases, in addition to the Bank's procurement policies (GN-2349-15 and GN-2350-15), the Guide "Procurement in situations of emergency, fragility, conflict, and criminal violence" will also apply. Furthermore, measures will be taken to ensure context-sensitive execution, incorporating technical and social criteria to guide related contracting processes, in line with the principles of transparency, inclusion, and sustainability defined in the Bank's procurement policies.

Reliability of cost estimates. The DNP calculated the estimated costs of the procurements, based on the scope envisaged for each contract, using market analysis, together with experience and lessons learned from similar contracts under project CO-L1263, which is currently in execution.

Internal control. The legal framework governing internal control is based on a broad set of regulations derived from the 1991 Political Constitution of the State. These include the Internal Control Law, the National Internal Control System, and the Standard Internal Control Model (MECI). The latter is aligned with the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the International Organization of Supreme Audit Institutions (INTOSAI), which are widely recognized as benchmarks for good practices. The program also includes implementation mechanisms defined in the program Operating Regulations, which cover the organizational structure, coordination mechanisms, planning, monitoring, and evaluation of results, as well as financial, audit, and procurement processes.

The program does not involve local counterpart funding, cofinancing, or retroactive financing.

2. Use of country systems in the operation (System approved by the Bank and whether it will be used in the operation – indicate when the use of validated systems is not envisaged)

S Budget	S Reports	S Information systems	S National competitive bidding (NCB)
S Treasury	☐ Internal audit	S Shopping	☐ Other (System use at executing agency level was validated)
S Accounting	☐ External control	☐ Individual consultants	☐ Other

3. Executing agency capacity and performance level

The DNP has more than a decade of experience in implementing IDB-financed operations, demonstrating satisfactory performance throughout this period. The updated ICAP assessment found that the DNP has a robust, low-risk institutional environment, with strengths such as solid experience and a high level of technical and operational capacity to implement this new operation. Furthermore, the program Operating Regulations—which describe roles, responsibilities, coordination mechanisms, and procedures—will be kept up to date to ensure compliance with the Bank’s fiduciary requirements for financial management and procurements. The implementation framework will be complemented by support from a project execution team, in coordination with the relevant institutional areas and the operating committee.
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4. Budget cycle and flow of funds

Programming and budget	The national government, acting through the General Directorate of the National Public Budget (DGPPN) and the DNP, is responsible for the budgetary programming process, which culminates in the approval of the Annual Budget Law by the Congress of the Republic. The loan proceeds will be incorporated into the National General Budget under the program appropriation, executed by the DNP. The funds will be managed and controlled through the Integrated Financial Information System (SIIF Nación II), in which transactions can be identified by funding source and investment category, recording all stages of expenditure: budget reserve (CDP), commitment, accrual, and payment. SIIF II generates implementation reports, expenditure statements, project financial statements, and reports. However, a medium-high risk has been identified in the general fiscal space constraints faced by central government entities, which could affect the prioritization and timely allocation of the budget and annual cash flow plan, as needed for efficient execution of project activities. This risk is particularly relevant for compliance with the annuality principle established in Colombian law and the coordination of critical procurements that could involve budget appropriations in future fiscal years. In mitigation, the DNP will take proactive planning and early management actions for future appropriations. The approval process for future appropriations, the issuance of budgetary availability certificates (CDPs), and budgetary reserves will be incorporated into the program’s financial critical path, defining a timeline for procedures and assigning
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	responsibilities. The Bank will provide technical support and facilitate interagency dialogue as necessary to ensure appropriate conditions for the project's financial execution are in place.
Flow of funds	Funds from external sources, in this case IDB financing, will be disbursed through SIIF Nación II. To manage the project's cash flow, the DNP will open a special bank account—a designated foreign currency account in the name of the program, at the central bank (Banco de la República), for exclusive management of the loan proceeds. The Bank will disburse the financing primarily in the form of advances of funds to the account designated for the operation opened at Banco de la República. The amount of each advance will be based on a financial plan that reflects the project's actual liquidity needs for a period of up to 180 days. Disbursement requests subsequent to the first advance, for which no prior justification is required, will only be processed when at least 80% of the cumulative total of funds pending justification have been accounted for. Disbursements must be aligned with the budgetary space allocated for the operation and with the availability of the annual cash flow plan. Accountability reports will be prepared using the exchange rate in force when the disbursed funds are converted from U.S. dollars to local currency. In the case of Colombia, the conversion is made on the day the payment is made to the supplier of the goods or services. Consequently, the exchange rate to be used for expense reporting will be the rate in effect on the payment date. Retroactive expense disbursements are not currently foreseen; however, should these be required, the disbursements in question will be made to the Banco de la República account designated for the National General Budget, using the exchange rate prevailing on the "payment date" of the expenses to be submitted to the Bank. All requests and justifications for funds must comply with the Bank's rules and policies: the Financial Management Guidelines for IDB-financed Projects (OP-273-12 or as updated), disbursement guidelines, and the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-15 or as updated).

5. Risks affecting fiduciary function

Capacity risk	Medium-high: the general budgetary constraints facing central government entities could affect the prioritization of budget and annual cash flow plan allocations needed for the efficient execution of project activities, with special attention to compliance with the principle of annuality under Colombian law, and the coordination of critical procurements requiring commitments in future fiscal years. This risk will be mitigated through steps taken by the entity to ensure timely planning and management of commitments pertaining to future fiscal years, incorporating the corresponding approval process, issuance of the
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	CDP, and budgetary reserves into the program's critical path. The Bank will provide support for dialogue and other interventions as necessary.
Capacity risk	Medium-high: the considerable technical complexity of the procurements under Component 1, particularly the contracting of feasibility studies and pilot projects for the adoption of digital and logistics technologies, could cause delays in project execution and/or affect the quality of the outputs. This risk will be mitigated by: (i) incorporating two procurement specialists into the project execution team; (ii) conducting systematic market analyses to define appropriate contracting strategies and technical specifications; and (iii) designing bidding documents with the participation of sector experts and the IDB Invest upstreaming team, to ensure terms of reference and contractual conditions that are attractive to the market.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

Exceptions to fiduciary policies	No exceptions are foreseen.
Special conditions precedent to the first disbursement	Special conditions precedent to the first disbursement of the financing: That the borrower, either directly or through the executing agency, has submitted evidence to the Bank's satisfaction that: (i) the program Operating Regulations have been approved and have entered into force under the terms and conditions previously agreed on with the Bank; and (ii) the project execution team has been selected, comprising the following personnel at least: (i) a technical coordinator; (ii) an operational, planning, and monitoring coordinator; (iii) a procurement specialist; and (iv) a financial specialist.
Exchange rate	The DNP will submit a financial plan based on the official reference rate (TRM) set by the Ministry of Finance and Public Credit for these purposes. Advances of funds will be justified to the Bank using the exchange rate in force on the date on which amounts are drawn from the special U.S. dollar account to make payments in Colombian pesos to the suppliers of goods or services (i.e. the payment date) as established in paragraph 4.10b(ii) of the General Conditions.
Type of external audit	The DNP will deliver the project's special-purpose financial statements to the Bank, within 120 days of each fiscal year-end and within 120 days following the date stipulated for the final disbursement. For this purpose, the DNP will select and contract a Bank-eligible audit firm, funded from the loan proceeds, in accordance with the Audited Financial Reports and External Audit Management Handbook covering the operation's entire execution period, including future fiscal year commitments.
Other	Not applicable.

III. KEY PROCUREMENT CONSIDERATIONS

☐	Use of executing agency's system	Not applicable.
☐	Alternative procurement arrangements	Not applicable.
☐	United Nations agencies	Not applicable.
S	Documents for national processes	Consulting services will be selected and contracted in accordance with the policies set forth in document GN-2350-15, using the Bank's standard request for proposals or documents agreed on by the DNP and the Bank. Goods and nonconsulting services will be contracted in accordance with document GN-2349-15, using the Bank's standard bidding documents or those agreed on by the DNP and the Bank. The technical specifications and terms of reference will be reviewed ex ante by the project's sector specialist.
☐	Direct contracting and single-source selection	Not foreseen.
☐	Expenses not related to procurement processes	Not foreseen.
☐	Advance procurement/ retroactive financing	Not foreseen.

IV. PROJECTS WITH FINANCIAL INTERMEDIARIES

☐	Projects with financial intermediaries (PRM and FM)	Not applicable.
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V. PROCUREMENT STRATEGY INITIAL INPUTS

KEY procurements (These procurements are either designated for implementation during the start-up phase, or else they constitute a substantial percentage of the project component or loan, or are decisive for the achievement of a key project outcome.)

Results matrix output (WBS)	Procurement description	Procurement method	Estimated start date	Estimated amount (US\$ 000)	Reasons for being key
Consulting firms					
1.1.1	Design and implementation of a technical assistance program in logistics management for local governments (Capacity Building).	Quality- and cost-based selection (QCBS)	Q1-2027	1,090	Activity designed for the start of execution
1.2.1	Preinvestment studies for strategic logistics projects (Project Advisory Services)	QCBS	Q1-2027	3,540	
1.4.1	Pilot project for the adoption of technologies in agro-logistics chains (cocoa supply chain traceability).	QCBS	Q1-2027	980	
1.4.3	Pilot project for the adoption and comparative evaluation of low- and zero-emission technologies in the logistics chain.	QCBS	Q1-2027	595	
1.4.4	Pilot project for use of the central rail corridor (La Dorada-Chiriguaná) and coordination with the Port of Santa Marta, for the transportation of non-coal export and import cargo.	QCBS	Q1-2027	980	
1.4.5	Pilot project for urban nighttime loading and unloading in the Movamos Región metropolitan area (Cali-Jumbo-Jamundí-Palmira) and coordination with the 24/7 port services pilot project in Buenaventura.	QCBS	Q1-2027	850	
Individual consultants					
3.3.1	Operations coordinator	3 CVs	Q1-2027	296	Key team for project execution startup
3.3.2	Financial specialist	3 CVs	Q1-2027	264	
3.3.3 and 3.3.4	2 Procurement specialists	3 CVs	Q1-2027	576	

Indicate if any of the main procurements require a special approach and/or support:

☒	Initial procurement strategy	Contracting of the key team for execution startup. Implement early outreach on planned contracting to generate interest among consulting firms.
☒	Necessary activities for successful implementation	Include in the program Operating Regulations contracting process workflows for each method, including the corresponding estimations of execution times. Hold a comprehensive startup workshop structured around the commitments required of stakeholders to achieve the project's expected outcomes. Define the program's detailed critical path, identifying key procurements, government approvals, and the drafting of agreements, among other enabling activities. Hold regular meetings with all project stakeholders to review progress, identify potential issues or delays in good time, and define actions to mitigate or prevent them.
☐	Innovation	Not applicable.
☒	FCV context	In accordance with the Guide "Procurement in situations of emergency, fragility, conflict, and criminal violence," and given the possibility that project execution will include territories in a fragility, conflict, and criminal violence context, specific mitigation strategies and measures will be designed to provide context-sensitive technical and social criteria to steer related procurement processes, in line with the principles of transparency, inclusion, and sustainability defined in the Bank's procurement policies.

Access to the [18-Month Procurement Plan](#).

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/26

Colombia. Loan ____/OC-CO to the Republic of Colombia
Program to Improve Logistics Efficiency in Colombia

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Colombia, as borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the Program to Improve Logistics Efficiency in Colombia. Such financing will be for the amount of up to US\$15,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2026)