

Regional Outlook 2019

COLOMBIA

Regional Development Policy in Colombia



General policy approach

Within the national government, the National Planning Department is the agency in charge of regional development. The main policy instrument to steer regional development is the National Development Plan 2018-22. It has the objective of linking regional actors and creating an enabling institutional environment to develop integrated planning strategies for functional regions.

Revenues are distributed to subnational governments through the General Participation System, a vertical equalisation mechanism that has the objective of promoting administrative and fiscal decentralisation. The system provides subnational governments with approximately 50% of their revenues, although most municipalities receive a much higher share of their budget from it.

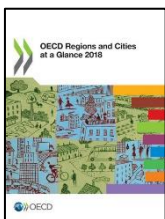
Colombia has been using contracts between national and regional governments since 2012 that are modelled after similar contracts in France. They are an important tool for national and regional governments to jointly deliver long-term projects. One of their defining characteristics is a co-financing requirement. It improves efficiency by making departments (the intermediate level of government) more selective in proposing projects and also increases the sense of ownership among local constituencies. On average, 22% of project costs are co-financed. However, co-financing requirements depend on the economic conditions within a department and vary between 15% and 37%.

Recent policy changes

- Starting in 2016, administrative planning regions have been introduced with the objective to co-ordinate the planning and investment in departments with similar characteristics.
- The implementation of the peace agreement created new challenges at the regional level. In response, zones most affected by conflict (ZOMAC) have been designated. Furthermore, a new instrument – development plans with a territorial approach (PDET) – has been created with the objective to carry out rural reforms through participatory planning. Its main objective is to accelerate the structural transformation of remote rural areas (in particular those formerly affected by conflict) by mobilising private and public investment to improve public services.
- A memorandum of understanding has been signed by relevant ministries and national agencies to co-ordinate planning and cadastral activities. A key objective of the memorandum of understanding is to increase the share of national territory for which cadastre information is up-to-date from 20% to 60%. This objective is also part of the National Development Plan 2018-22.

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- Two reforms of the spatial planning system were planned or ongoing as of late 2018. First, the Law of Regions has been approved and will harmonise responsibilities across levels of government. It will also offer departments the opportunity to participate in more than one administrative planning region and will progressively transform administrative planning regions into new regional territorial entities. Second, the General Land-Use and Spatial Planning Policy is scheduled for adoption. It will strengthen the multi-level governance dimension of the planning system, set in motion a process to develop binding guidelines and conflict resolution mechanisms, and enhance monitoring and evaluation.
- Three new agencies have been created to foster rural development: 1) the Rural Development Agency, which focuses on technical assistance and project development; 2) the National Land Agency, including the associated role of National Land Inspector; and 3) the Agency for the Renewal of the Territory, which focuses on the substitution of illicit crops.

Institutional arrangements to prepare for global megatrends

Within the national government, the Administrative Department of the Presidency is responsible for developing the overall strategic priorities of the government. The National Planning Department has a sectoral division and a territorial division, which prepare long-term studies and monitor relevant policy developments. For example, the National Planning Department has produced 20-year guidelines for the transformation of the Colombian countryside and of remote rural areas.

Municipalities are required to prepare a long-term municipal land planning instrument, which covers land use and municipal investments over a 12-year period. Since 2016, departments are expected to prepare a departmental territorial planning instrument, which would function as a high-level strategic plan with a time horizon of 16 years. However, as of late 2018, no departmental territorial planning instrument had officially been adopted yet.

OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

