

Colombia – Transit-Oriented Development (TOD)

Mid-term Evaluation and Learning Exercise (ELE) Report & Management Response

March 2023

Overview

- **Management Response:** response to the recommendations made by the evaluation team in this Evaluation and Learning Exercise (ELE) report. Jointly written by the NAMA Support Project (NSP) and the Technical Support Unit (TSU) of the NAMA Facility.
- **Evaluation and Learning Exercise Report:** external and independent evaluation conducted by the consortium AMBERO and Oxford Policy Management.

Evaluation and Learning Exercise (ELE) of the Colombia Transit Oriented Development NAMA Support Project’s Financial Component - Management Response

1. Background

In 2022, the Financial Component of the Colombia Transit Oriented Development NAMA Support Project (NSP) was subject to an independent mid-term ELE conducted by an evaluation team led by AMBERO Consulting.

The Board of the NAMA Facility decided in January 2023 to pursue an earlier termination of the Colombia Transit Oriented Development NAMA Support Project, therefore the recommendations provided by the evaluation team are in their majority not accepted as the NSP team will not have the resources required to implement these recommendations.

The NSP and Technical Support Unit (TSU) provided responses to the recommendations made by the evaluation team as follows:

2. Recommendations to the NSP Team to achieve the goal of the NSP

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: Submit to the TSU an amendment request to change the instruments of the Financial Component and their conditions to ones better aligned to the NSP’s objectives and the demands of stakeholders related to TOD transformation efforts</p>	<p>Recommendation rejected.</p> <p>Municipal elections will be held in Colombia in 2023, which means that processes will be strongly delayed due to political and legal implications. These are the same limitations that the NSP faced in the past and that delayed its implementation, therefore, it is not realistic to expect any project to be financed under the FC component until the end of 2023.</p> <p>The NSP considers that the decision from the pilot cities to not implement the projects was political and not a financial decision. None of the pilot projects pursued reached a point in which the cities expressed sufficient interest to guarantee a discussion on financial conditions.</p> <p>In addition, this recommendation is not considered as feasible as changing financial instruments</p>	NSP	N/A

	would have taken a long time and might have even required to involve a different implementing partner (e.g. for land value instruments) which would have not been feasible within the given NSP time frames.		
Recommendation 2: Strengthen internal learning processes, starting with preparing a report about how the NSP Team will use these recommendations to strengthen the NSP	Recommendation rejected. Due to the earlier termination of the NSP activities, the implementation of this recommendation is not feasible.	NSP	N/A

3. Recommendations to the political implementing partners and other key NSP stakeholders for the success of the NSP

Recommendations	Activities	Responsible Entity	Timeline
Recommendation 1: Seek engagement and support from the President's Office to ensure that the NSP's actions, outputs and outcomes are preserved and continued beyond its lifetime.	Recommendation accepted. The commitment of the new Colombian government with the execution of this type of projects has been reflected in the Bases of the National Development Plan 2022 - 2026 in chapter VI - Regional Convergence, establishes in article 230 "Execution of public transportation systems projects under sustainable transportation-oriented development principles – TOD". To materialize the institutional commitment of the new national government and taking advantage of the positioning that Findeter has developed as an expert in TOD in the country, contacts will be resumed with the new local governments in cities and municipalities in the country, so that through the experience and inter-institutional management new public transportation initiatives can be identified and executed under the TOD guidelines and principles.	FINDETER, KfW	
Recommendation 2:	Recommendation partially accepted.	FINDETER, Ministries	

The Ministry of Transport, the Ministry of Housing and Territorial Development, the Ministry of Environment and Sustainable Development and DNP need to be properly re-engaged with CIUDAT through its board and technical advisory committee

As part of the closing of the activities of the NSP, Findeter may resume the organization of CIUDAT focused mainly on involving the ministries in the promotion, search and implementation of new TOD projects.

4. Response to the recommendations to the NAMA Facility for the review, approval and management of future interventions

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: With high priority, the NAMA Facility should review and respond to the amendment request to the Financial Component's instruments that might be requested by the Colombia TOD NSP Team</p>	<p>Recommendation rejected.</p> <p>Based on the implementation challenge imposed by the upcoming municipal elections in the country in 2023, an amendment request will not be presented by the NSP. Instead, the project will move forward with the closure of its activities.</p>	TSU	N/A
<p>Recommendation 2: TSU should adopt formal requirements for NSPs to review, consider and respond to ELE lessons and recommendations</p>	<p>Recommendation accepted</p> <p>Starting with the Annual Report 2023, NSPs shall be required to formally report on the actions taken to address the recommendations received in the ELE.</p> <p>This approach will be first piloted during the Annual Report 2022 with the two NSPs that went through this exercise during the reporting year and that have not completed implementation.</p>	TSU	2023 - onwards
<p>Recommendation 3: Financial components should be given some flexibility to respond or adapt to the conditions of the sector and the surrounding context as NSPs are implemented. Clear guidance on</p>	<p>Recommendation partially accepted</p> <p>The NAMA Facility has an amendment policy in place that is clear and available to all projects in implementation. It is the responsibility of the NSPs to apply</p>	TSU	Ongoing

<p>requesting changes for different types of financial instruments would also be desirable to facilitate NSP Teams' actions</p>	<p>it according to their context and needs.</p>	<p>Recommendation 3: The TSU could develop some guidelines or self-assessment tools to help governments and stakeholders involved in NSP preparation or execution to determine and follow up whether the NSP is operating under an adequate institutional framework</p>	<p>Recommendation partially accepted</p> <p>NSPs are required to provide an overview of the NSP institutional set-up and stakeholder landscape together with their NSP Proposals. Furthermore, projects are required to report and monitor on the status of the institutional landscape and stakeholder engagement as part of the annual report cycle. Moreover, as part of its portfolio managing responsibilities, the TSU constantly follow-up with the NSPs on key topics such as the ones covered here.</p>	<p>TSU</p>	<p>Ongoing</p>
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Mid-Term Evaluation and Learning Exercise of the Colombia Transit Oriented Development NAMA Support Project's Financial Component

NAMA Support Project Evaluation and Learning Exercises for the NAMA Facility

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Final Report – Executive Summary

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About AMBERO Consulting Gesellschaft mbH

AMBERO Consulting provides services to our clients in the field of international development. Since 2003, we have supported national and international development agencies in the design, preparation, implementation, and monitoring of small and large projects that improve living conditions around the world.

At the heart of our work is a dynamic team integrated in interdisciplinary networks worldwide. Our strength is to generate, mobilise, and apply tailor-made knowledge. As a result, we are able to quickly initiate projects together with internationally recognised experts and established partners in many places around the world. The technical focus of our work is: good governance and civil society; climate, environment, and biodiversity; and regional and economic development.

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Oxford Policy Management (OPM) is committed to helping low- and middle-income countries achieve growth and reduce poverty and disadvantage through public policy reform.

We seek to bring about lasting positive change using analytical and practical policy expertise. Through our global network of offices, we work in partnership with national decision-makers to research, design, implement, and evaluate impactful public policy.

We work in all social and economic policy and governance areas, including health, finance, education, climate change, and public sector management. We draw on our local and international sector experts to provide the very best evidence-based support.

Disclaimer

The results and analysis included in the report are based on an external and independent evaluation conducted by the consortium AMBERO-OPM. The conclusions drawn in the report do not necessarily reflect the official views of the NAMA Facility and/or the NAMA Support Project under evaluation.

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Preface

The NAMA Facility is a joint initiative of the German Federal Ministry for Economic Affairs and Climate Action (BMWK), UK's Department for Business, Energy and Industrial Strategy (BEIS), the Danish Ministry of Climate, Energy and Utilities (KEFM), the Danish Ministry of Foreign Affairs (MFA), the European Union and the Children's Investment Fund Foundation (CIFF). The NAMA Facility was established in 2013. The NAMA Facility's vision is to 'accelerate carbon-neutral development to keep temperature increases to below two degrees Celsius by supporting NAMA Support Projects (NSPs) that effect sector-wide shifts toward sustainable, irreversible, carbon-neutral pathways in developing countries and emerging economies. All NSPs with an overall duration of more than three years are subject to a mid-term and a final evaluation and learning exercise.

The NAMA Facility's Technical Support Unit (TSU) functions as the secretariat of the NAMA Facility. The TSU commissioned AMBERO and Oxford Policy Management to conduct mid-term and final Evaluation and Learning Exercises (ELEs) for NSPs from calls 1, 2, 3 and 4.

Each ELE is conducted using the same Theoretical Framework (FW), which involves the application of a document review, participatory workshops, and stakeholder interviews to collect evidence about NSPs' results and lessons. This information is analysed using a Theory-based approach, centred on the use of contribution analysis and reinforced by elements of process tracing.

This document presents the findings of the **Mid-term ELE of the Colombia Transit Oriented Development NSP's Financial Component**. The report has been reviewed by Luca Petrarulo (Technical Lead, NSP ELE Team) and Elizabeth Gogoi (International Expert A, NSP ELE Team). For further information, please contact daponte@ambero.de.

Executive summary

This document presents the findings of the **Mid-term Evaluation and Learning Exercise (ELE) of the Financial Component of the Colombia Transit Oriented Development (TOD) NSP**. The ELE was undertaken during the period June – September 2022. In accordance with the Terms of Reference, this ELE sought to address the ELE’s following general questions:

- Has the NSP been achieving its planned results?
- Has the NSP started to trigger transformational change?
- What can be learnt from the NSP?

The ELE’s work, which focused its analysis on the Financial Component’s outputs and outcomes, also included seeking answers to specific questions presented to the ELE Team by the NAMA Facility’s TSU and the NSP Team. These questions are:

1. To what extent have cities supported by the Technical Component sought (and obtained) funding from the NSP to finance TOD pilot projects? If they have not decided to seek financing, what are the main reasons for not having continued? (ELEQ 1)
2. What strategy has the NSP employed to promote TOD and its financial instruments? How effective or successful has that strategy been? (ELEQ 2)
3. Which factors external to the execution of the programme affected the achievement of the expected results? (ELEQ 2.1)
4. How has that strategy been revised based on “market” (i.e. cities and TOD projects) response and feedback? (ELEQ 6)

The executive summary highlights the ELE’s findings and key lessons. **A Final ELE of the Technical Component of the NSP was conducted in 2020. The ELE report is available on the NAMA Facility website¹.**

The Colombia TOD NSP sought to promote a shift in Colombia’s urban growth model from one of outward urban sprawl to geographical expansion to a TOD scheme that maximises GHG emission reductions and the co-benefits of public-transit investment. To achieve that, the NSP set out to support adequate policymaking and coordination, create an appropriate institutional framework, develop TOD formulation and implementation capabilities and help bridge investment gaps between the public and private sectors.

The Financial Component was expected to leverage the policies, technical capabilities and inputs created by the Technical Component and support the execution of TOD demonstration projects. These pilot projects were meant to increase public and private investors’ confidence in TOD and showcase its low-carbon, environmental and social benefits. From this perspective, the Financial Component would help to further reduce technical and knowledge barriers and bridge financing gaps

¹ <https://www.nama-facility.org/publications/final-evaluation-and-learning-exercise-of-the-technical-component-colombia-transit-oriented-develop/>.

to promote large-scale replication of this more sustainable type of urban development across Colombia.

The key findings and lessons of the mid-term ELE of the Financial Component are presented below:

- **Sustainability remains a key goal and policy driver for many Colombian cities, particularly the larger ones, but COVID-19 temporarily diverted the attention of national governments to social and economic recovery.** Sustainability has become a general priority for cities. However, the economic slump caused by the pandemic in 2020 and 2021 led local and national governments to focus on social and economic recovery. As things go back to normal, sustainability is expected to be prioritised again.
- **CIUDAT² and the NSP’s institutional framework has weakened since 2020 (when the Technical Component ended), and it now seems unable to set and drive a national TOD policy and implementation agenda.** The Board and Technical Advisory Groups that provide steering and coordination to the NSP’s work have not complied with the meeting schedule in CIUDAT’s bylaws, and rather than the “active” steering and coordination role considered in the NSP Proposal, they assumed a more passive position of monitoring and following-up the NSP’s efforts. This means that Findeter, Colombia’s public sector development bank for urban and territorial interventions, which hosts CIUDAT within its structure, is now alone in pushing forward the NSP-backed policies and agendas without the legal or technical support from the Technical Component.
- **Other NDC projects that, according to the NDC revisions are expected to achieve significantly more GHG reductions than the TOD NSP proposes, fit more clearly into existing institutional structures and could receive higher attention and priority as they do not require the intersectoral coordination that the TOD NSP requires.** Other transport and climate projects, like electric mobility and the upgrades to Colombia’s freight vehicle fleet, have more direct GHG reduction potential than the Colombia TOD NSP, and do not require cross-sectoral coordination efforts which are more difficult to formulate and execute than efforts made within a single sector.
- **Processes to promote internal learning and adaptation have failed to drive a revision of the Financial Component’s instruments, with the NSP failing to adapt to the challenging conditions identified during the Final ELE of the Technical Component.** The NSP Team remains committed to the instrument proposed for the Financial Component at the time of the NSP proposal, despite the lack of interest of cities in it and recommendations made during the Technical Component’s ELE for exploring and adopting alternative financial instruments that could be more conducive to generating large-scale replication of TOD initiatives across Colombia. The ELE’s recommendations also called for changes to the NSP strategy to address the challenges of cross-sectoral coordination, community and stakeholder engagement, and increasing learning and dissemination activities, but no evidence was found of efforts to respond to them.

² CIUDAT is the Centre for Urban Intervention for Advanced Transport Development, which is a political and technical entity located in Findeter and responsible for this project. At first, CIUDAT was constituted by the Ministries of Transport, Housing, Environment, and Planning. However, a new Memorandum of Understanding (MoU) included new NAMAs related to urban development (NAMA TAnDem and NAMA MovE) and low carbon development projects and added the Ministry of Finance and the Ministry of Energy and Mines to its Board.

- **Long formulation and implementation times for TOD urban and transport interventions could mean that the Colombia TOD NSP has already run out of time to recover its course.** At the moment, there is no pipeline of TOD projects to be selected, financed and built within the 14-15 months left for the NSP. The long formulation, procurement and implementation times that most transit, transport infrastructure and urban interventions require could mean that the NSP may not be able to prepare and execute new projects before its time runs out. On top of that, having still to consider and introduce alternative financial instruments or more flexible requirements for the Financial Component adds complexity and further demand for resources and time that the NSP does not seem to have.
- **Without TOD pilots developed and a clear strategy for disseminating learning from them, the NSP risks delivering little impact.** The identification and dissemination of lessons from the TOD pilot projects supported by the NSP are right at the centre of the NSP's pathway to transformational change. In fact, the bulk of the NSP's GHG reductions is expected to come from the large-scale replication of TOD throughout Colombia. Without the development of TOD demonstration projects, the NSP will hardly be able to generate the catalytic effect to foster the replication and scaling up of TOD efforts nationally.

The most important recommendations made to the NSP Team and TSU for the current and future TOD related projects are:

- **The NSP Team should request changes to the Financial Component's instruments to make them more suitable or attractive for cities, but also to learn and share lessons from them.** It should also consider reallocating some of the current loan-bound NSP funding to other funding or financing schemes that could use other instruments contributing to TOD without the requirement of a loan contract to be signed. This should contribute towards clarifying concepts or furthering TOD-supporting projects ,and, quite importantly, ensuring that lessons and recommendations learned from these projects and from the earlier work of the Technical Component are properly disseminated to facilitate the large-scale replication of TOD initiatives. Time extensions should only be considered if the additional time, effort and uncertainty of meeting and on-boarding new local administrations in early 2024 can be offset by the expected benefits of the new instruments and the additional time. An amendment request with these changes should be submitted by the NSP and **the NAMA Facility should review and respond to this request urgently.**
- **The NAMA Facility should prepare and publish requirements and procedures to facilitate making revisions to NSP's financial instruments to make them more adaptable to the complex and evolving contexts in which NSPs are designed and executed.** This ELE has confirmed that city governments still see TOD as a fuzzy concept, making it hard to formulate specific interventions. In addition, most of the discussions held by CIUDAT have been with transport or infrastructure agencies, even though funding source decisions usually lie with finance agencies or the mayor's office. This seems conducive to the observed condition of a lack of TOD projects and cities' interest in pursuing the available financial instruments. When asked about why alternative financial instruments were not considered, relevant interviewees mentioned that the NSP's (legal) framework documents did not consider the possibility of alternative financial

instruments. Considering that the Final ELE for the Technical Component did recommend reviewing the proposed financial instruments and considering new ones, no reason or evidence was found during the ELE on why that assessment was not carried out. Preparing and publishing some guidelines on when, whether and how financial instruments could be changed could be a great help for NSP teams facing unexpected or changing conditions, and for NSP proposal preparation teams to propose more appropriate financial instruments from the outset.

- **TSU should adopt formal requirements for NSPs to review, consider and respond to ELE lessons and recommendations.** Many of the problems included in this ELE report had been identified 2 years earlier during the ELE of the Technical Component, but no action has been taken by the NSP Team to address the recommendations from the previous ELE. Adopting a formal requirement for the NSP Teams to review, consider and respond with clear and monitorable actions to ELE recommendations, for example within the following NSP progress report, could help maximise the value of the ELE effort.