THE ROLE OF INCLUSIVE INNOVATION IN TRANSFORMING COLOMBIA

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Paris - March 21th, 2014
BACKGROUND: POVERTY INCIDENCE REFLECTS REGIONAL GAPS IN COLOMBIA

Poverty Ratio in Urban Areas

Poverty Ratio in Rural Areas

Source: DNP
Impact of Conflict on Growth

**Production Factors**
- Uncertainty, decreased investment
- Brain drain and school desertion

**Total Factor Productivity**
- Lack of Social Cohesion
- Increase in Transactional Costs
- Institutional Damage
- Deviation of Investment
- Corruption and Judicial Congestion

**Estimated GDP Growth Path in a Post-Conflict Scenario**
(Percentage)

- **Social Impact of Conflict**
  - 6,073,453 victims
  - Victims correspond to 13% of population

*Source: DNP, 2013*
“Colombia faces the great challenge of aligning its economic development to its social development as the basis to achieve an equitable, inclusive, prosperous and peaceful society”

National Development Plan 2010-2014

Source: OECD Factbook 2010
MILESTONE 1: SETTING THE FOUNDATIONS FOR INNOVATION

Foundations of Institutional Framework and Capability Building

Colombia began strengthening Science, Technology and Innovation efforts as a prioritary channel for tackling economic and social challenges:

In 2009, Science, Technology and Innovation Law upgraded Colciencias to ministerial level and set the institutional framework

In the last decade public spending in capability building multiplied, seeking to:

1. Diffuse ICTs across the nation
2. Significantly increase PhD formation
3. Boost technical and technological education

Source: OCyT, 2013
MILESTONE 2: INNOVATION AND TERRITORIAL INCLUSION (1/2)

In 2011, Colombia passed a Constitutional Amendment to reform the distribution of Mining and Oil State Royalties. 10% of Royalties go to Science, Technology and Innovation Fund. U$ 484 million per year. Royalties are distributed according to economic and social performance indexes.

Science Technology and Innovation Fund from Oil and Mining Royalties

Before 2011
- Increasing gaps
- 17% of population had 80% of resources
- Funds were focused on 9 departments

After 2011
- Funds for STI
- 100% of population allocated with resources
- Serves all departments

Source: SGR and DNP, 2013
Responding to Regional Needs

STI Fund allowed Colombia to channel resources to every region, maintaining autonomy and responding to local needs.

Boosting STI Funding

STI investment has increased US $1 billion between 2010-2014
Social Innovation Policy

**Participation**: Collaborative exercise of policy design with representatives of different sectors of society (academia, private sectors, NGOs, local governments)

**Innovative Use of ITCs**: Use of physical and virtual platforms to work with different sectors of society around the design and implementation of a Social Innovation (SI) Public Policy

**Objective**: Foster a favorable environment for SI to reduce the disconnection between economic growth and welfare

### Social Innovation Policy Actions

- Collaborative Work
- Cultural Dynamics
- Public Sector Innovation
- Financial and Non-financial Services
- Knowledge Management
- Regional Capacities
POLICY IS ALIGNED WITH A MULTIDIMENSIONAL VIEW OF SOCIAL AND ECONOMIC ISSUES

Dimensions of Multidimensional Poverty Index

(Based on Alkire and Foster methodology)

- EDUCATION
- CHILDHOOD & YOUTH
- LABOR
- HEALTH
- PUBLIC UTILITIES & HOUSING CONDITIONS

2008 Rate
34.7% MPI-poor

2014 Target
22.5% MPI-poor
SOCIAL INNOVATION WILL BE DIRECTED AT CONTRIBUTING IN THE CHALLENGES THAT LAY AHEAD

- POST-CONFLICT
- EDUCATION
- INEQUALITY
- POVERTY
Challenges

- Post-conflict and the consolidation of peace is Colombia’s most pressing challenge
- Capacity building is key to success of STI investments of the royalties fund
- Gather evidence of impact results in Social Innovation

How to overcome them?

- Joint public and private work, inclusion of communities, and a Peace Node in the Social Innovation Policy
- Differentiated approach at a regional level, in order to offer taylor-made solutions
- Long-term efforts to give enough time, and include impact evaluation practices
Thank you

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