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# CELI NORTH & SOUTH PROGRAM

## QUARTERLY REPORT IV JULY-SEPTEMBER 2012 ANNUAL REPORT 2012

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### **Cover**

Team-building activity with small farmer associations in El Bagre – Bajo Cauca Antioqueño-, July 2012.

#### *Note*

The opinions of the authors of this report do not necessarily represent the points of view of the United States Agency for International Development (USAID) or the United States Government.

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# SECTION I.

## Introduction

This report represents the July-September, 2012 period and final quarter of CELI North/South's First Contract Year. This quarter contained the highest level of programmatic activity since the start of the contract with the approval of 135 grants and 14 direct CELI North/South program implementation activities valued at \$10.9 million. USAID's investment in the three CELI N/S regions, i.e. Antioquia, Córdoba, and Tumaco, generated \$28.6 million in counterpart funds from the Colombian national, department and municipal governments, as well as beneficiary communities. Cumulatively over this past year, USAID/Colombia has approved 219 grants and activities with a value of approximately \$13.7 million for implementation in the CELI North/South regions.

The approval process for these grants/activities involved multiple steps. The first consisted of defining through a consultative and participatory process in each of the 16 CELI N/S municipalities a set of priority activities designed to strengthen local governance, foster economic development and build social capital. These activities, framed in a strategic approach that seeks to strengthen the presence of the State and encourage a culture of legality, were presented in April, 2012 to both USAID/Colombia and the national leadership of the Administrative Unit for Territorial Consolidation (UACT). The next task was to transform these proposed activities into viable projects for implementation. Starting in Tumaco on July 12, 2012, CELI N/S staff began the process of submitting specific project proposals for USAID's technical review and approval. Over the course of this past quarter, the 149 grants and direct implementation activities were reviewed at various intervals and approved. As of September 30<sup>th</sup>, of the 135 grants approved during this quarter, we had 41 signed grant agreements for a value of almost \$4 million in the process of implementation.

While the review, approval, and awarding of grants dominated CELI North/South activities during the quarter, important advances were made in other areas, such as the completion of the software for Program Planning, Approval actions with USAID/Colombia, and Grant/Contract Processing and Management. Progress was also made on the M&E system that will be in operation in the next quarter. The bank accounts, policies and procedures for the Letter of Credit (LOC) for channeling grant funds are in place and working. CELI North/South is fully staffed, including the hiring and fielding of the 15 municipal coordinators/facilitators.

The security environment for CELI North/South has become more difficult and unpredictable in all 16 municipalities. The peace process with the FARC launched by the Santos government is the likely reason for a surge of both terrorist activity and political positioning of the FARC at the community level. Recent peasant marches and attempted road blockages were ordered by the FARC to mobilize its social base. Struggle for territorial control among the armed groups continues to create an environment of high insecurity and recurring violence. While the security environment has not directly affected

progress in the implementation of CELI North/South activities, it is a constant cause for concern and caution. Now that program implementation activities are rapidly increasing, it will be important to carefully supervise and monitor the performance of grantees and their management of funds in this highly vulnerable environment.

CELI North/South has taken great care to work closely with the managers of the Regional Consolidation Centers (RCC) of Tumaco, Antioquia and Córdoba. Relationships and coordination have been good or excellent in Tumaco and Antioquia. Córdoba continues to be a challenge, though concerted efforts are being made to maintain open lines of communication and a spirit of cooperation. Staff in Córdoba has not been as successful as in the other regions in building a close working relationship with the Department of Córdoba Government. This remains a challenge that we will continue to work on improving. We are also concerned that resources committed by the UACT have not materialized in the CELI North/South territories. This will cause difficulties in areas where CELI North/South is meeting its commitments, but where Consolidation in neighboring communities has yet to respond.

On September 18, 2012, CELI North/South held a strategic review session with senior managers of the UACT, including Alfredo Sarmiento national supervisor of the RCCs and the RCCs for the three CELI North /South Regions, Gregorio Llano for Antioquia, Mario Indaburo for Nudo de Paramillo/Córdoba, and Fabio Trujillo for Nariño. The main purpose of the review was to update the UACT on 2012 project approvals and implementation plans for these projects, most of which will roll over into 2013. Discussion also centered on timing and strategy for the new round of priority setting for activities to be selected for implementation starting in April, 2013; definition of new focalized areas; and development of criteria for 2013 prioritization of activities.

# SECTION II.

## The Political/Security Context in the Intervention Areas

### 1. Security

The peace process currently underway between the Colombian Government and the Revolutionary Armed Forces of Colombia (FARC) has unleashed new political dynamics in areas dominated by the FARC. While in some areas armed insurgency activity is intensifying for the purpose of showing visibility and presence, in other areas we are seeing intensifying political activity at the grassroots and community levels. Both types of heightened activity are apparent in a majority of the municipalities covered by CELI N/S. This poses new challenges for project implementation, both from a security standpoint as well as the potential co-optation of project activity by the insurgent groups.

On the other hand, data shows that the homicide rate has fallen nationally by 43 percent since CELI N/S began contract implementation. This is due to a reduction in the conflict between criminal gangs through agreements or domination of one group over the other. Two new gangs have been identified in Antioquia: the “Noreste” and the “Caparreños”. Both are believed to be allied with the FARC.

### 2. The Traffic Light (*Semáforo*) (Table 1)

In four municipalities (Antioquia, i.e. Caucasia, El Bagre, Zaragoza, and Nechí), the most recent update of the *semáforo* released August, 2012 remained unchanged from the May, 2012 version as far as the designation of yellow and red areas. In the other seven municipalities of Antioquia there was positive movement of the *semáforo*, with 25 *veredas* turning from red to yellow and none from yellow to red.

The *semáforo* remained unchanged for the municipality of Valencia, which continues to be all yellow. The municipalities of Montelíbano, Puerto Libertador and Tierralta experienced gains and losses with seven *veredas* changing for yellow to red, and 21 *veredas* moving from red to yellow. San José de Uré saw two *veredas* changing from red to yellow. Tumaco’s *semáforo* experienced a slight positive change with 12 municipalities moving to yellow and eleven to red, for a net gain of one *vereda*. The total movement in the CELI North /South municipalities was a net gain of 42 municipalities moving to red. This provides ample space for new priority focalized areas for 2013.

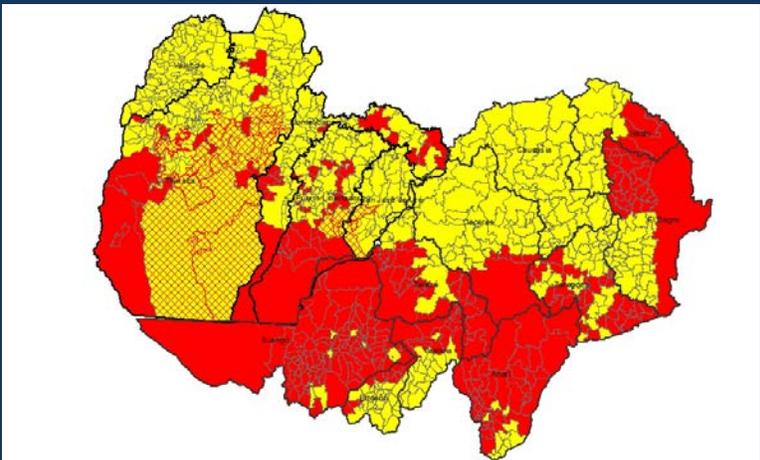
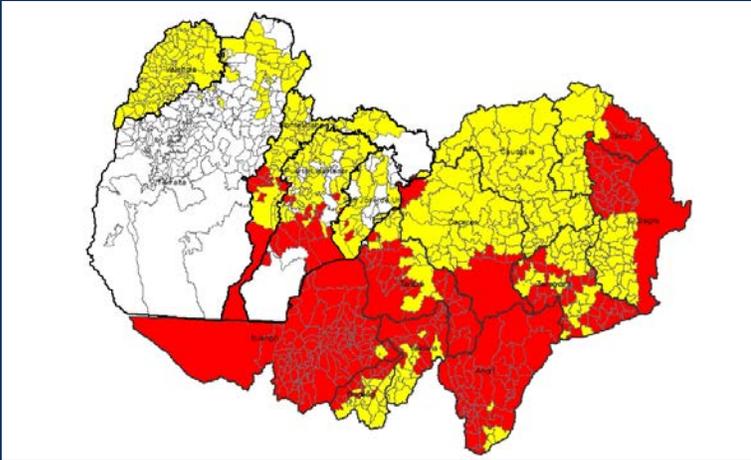
Table No. 1 (Changes in the Semáforo CELI N/S April to August, 2012)

	MAP APR 2012	MAP AUG 2012	Changes + or -
<b>ANTIOQUIA</b>			
Caucasia		No change	0
Cáceres	Vereda Manizalez	Vereda Manizalez changed to yellow	1
El Bagre		No Change	0
Nechí		No change	0
Tarazá	Vereda Quinteron	Vereda Quinterón changed to yellow	1
Zaragoza		No change	0
Briceño	7 veredas Center - East	7 veredas changed to yellow	7
Ituango	7 veredas Center - South	7 veredas changed to yellow	7
Valdivia	3 veredas, South	3 veredas changed to yellow	3
Anorí	6 veredas, Center - South	6 veredas changed to yellow	6
<b>Total + or - in Antioquia</b>			<b>+25</b>
<b>CÓRDOBA</b>			
Montelíbano	Bocas de San Mateo and Bocas de San Cirpian Veredas, South-east	Bocas de San Mateo and Bocas de San Cirpian Veredas changed to yellow	2
	Vereda El Tigrito, South-west	Vereda El Tigrito, South-west changed to red	-2
Puerto Libertador	11 veredas, Center	11 veredas, Center	11
	2 veredas	2 veredas changed to red	-2
San José de Uré	2 veredas	2 veredas	2
Tierralta	8 veredas	8 veredas	8
	3 veredas North east	3 veredas, North east changed to red	-3
Valencia		No Change	0
<b>Total + or - in Córdoba</b>			<b>+16</b>
<b>NARIÑO</b>			
Tumaco*	12 veredas from red to yello (Alto Mira)	4 Consejos Comunitarios Northeast	12
	11 veredas from yellow to red (Rio Rosario, La Brava)	11 veredas changed to red (Rio Rosario, La Brava)	-11
<b>Total + or - In Tumaco (Nariño)</b>			<b>1</b>
<b>Total veredas changing from red to yellow in CELI N/S</b>			<b>+42</b>

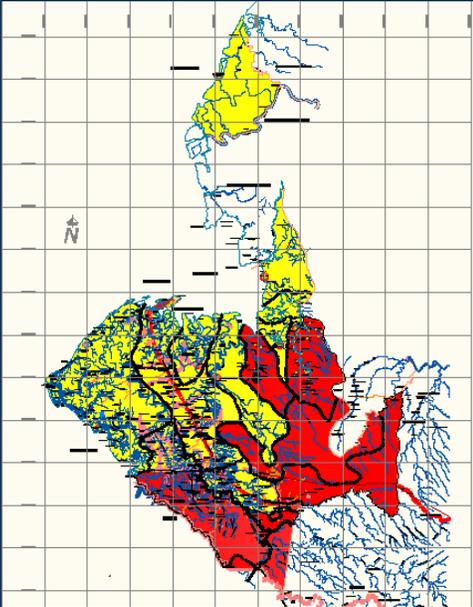
\*The Tumaco Semáforo was received October, 2012

The *corregimientos* of Llorente and la Guayacana, where CELI N/S is actively supporting urban community organizations, have increased their vulnerability to guerrilla activity and presence in an alarming way.

Managing the *semáforo* requires accurate maps depicting *veredas* and *corregimientos* to ensure that CELI N/S activities are clearly within the boundaries of yellow areas. Mapping in Antioquia is trustworthy and of high quality. However, the same cannot be said for Córdoba and Nariño, where maps of the *veredas* are not clearly demarcated. This poses an added challenge to carefully defining intervention areas, especially as we begin prioritizing project activities in new focalized areas for implementation in 2013.



Antioquia Córdoba April 2012.  
2012



Antioquia Córdoba August

# SECTION III.

## Significant Activities during the Quarter

As mentioned earlier, CELI N/S made significant progress in launching project activities in all strategic components during the past quarter. The following chart (Table 2) illustrates the numbers of projects approved during this quarter in the three regions and the cumulative total since project start-up:

Table No. 2 (Approved Activities Q4 and Cumulative First Year)

Component	# Activities FY1	# Activities Q4
Improved governance	66	10
Increased social capital	20	15
Foster economic development	42	37
Social infrastructure	86	86
Land	5	1
<b>Total</b>	<b>219</b>	<b>149</b>

## Project Components

### 1. Improved Governance

**a. Municipal Development Plans.** CELI N/S assisted 27 municipal governments (including 11 municipalities in Putumayo and Catatumbo) to prepare their municipal development plans (Table 3). In addition to providing assistance in this very important activity, it gave CELI N/S credibility and legitimacy as it continues to find ways to increase the capacity of the 16 currently targeted municipalities. All municipal plans were completed in September, bringing closure to this participatory planning process. Starting in October, each mayor and his/her support team, with CELI N/S support, will start to implement the actions and projects outlined in their various plans. CELI N/S will publish condensed versions of the various municipal development plans over the coming months to disseminate the content among citizens and community organizations.

Table No 3. (Municipal Development Plans Supported by CELI N/S)

CORDOBA	ANTIOQUIA	NARIÑO	NORTE DE SANTANDER	PUTUMAYO
Valencia	Ituango	Tumaco	El Tarra	Puerto Asís
Puerto Libertador	Briceño		Covención	Puerto Leguízamo
ierralta	Anorí		El Carmen	San Miguel
San José de Uré	Valdivia		El Tarra	Valle del Guamuez

Montelíbano	Tarazá		Hacarí	
	Nechí		Tibú	
	Cáceres		San Calixto	
	El Bagre			
	Zaragoza			
	Caucasia			

- b. Good Governance Schools.** The lack of specialized training in good governance and public management is one of the principal shortcomings of the people who work for the CELI N/S municipalities, according to the Colombian National Department of Planning (DNP). CELI N/S is in conversations with several national and regional Colombian universities, such as the universities of El Valle, Cauca, Antioquia, the Pontificia Universidad Bolivariana, and the Catholic University, in preparation for a call for proposals for the design and implementation of a comprehensive training program for municipal authorities and staff. During the upcoming quarter, we will select operators among these universities to carry out this training for all CELI N/S municipalities. SENA will also be asked to participate in this task.
- c. Support for Victims.** With CELI N/S support, the municipalities of Cauca and Zaragoza of the Bajo Cauca have set-up offices to provide support to victims. We will continue to look for opportunities in other municipalities to support victims in anticipation of the full implementation of the *Ley de Víctimas*.
- d. Public Finances.** CELI N/S is supporting a program to help nine municipalities in Antioquia and two municipalities in Córdoba to help bolster public finances and tax collection. We continue to support the newly created Management Unit of the municipality of Tumaco.

## 2. Increased Social Capital

CELI N/S's building social capital strategy has two focuses: 1) the organizational, administrative and financial strengthening of grassroots organizations, and 2) strengthening fundamental values of self-worth, respect for life, legality, culture and identity through activities involving community participation, communications, building leadership, community exchanges, cultural and sporting activities and others. These two areas stress different specific objectives, but are fully complementary in their role of strengthening the social fabric and the culture of legality and good citizenship.

- a. Organizational, Administrative and Financial Strengthening of Grassroots Organizations.** CELI N/S plans to conduct an organizational assessment for all social and productive organizations, as well as the *juntas de acción comunal*, that will measure the capacity of these organizations in five dimensions: 1) *business and services*; 2) *assets*; 3) *participation and democracy*; 4) *human development and capital*; 5) *leadership and management*. The result of these assessments will generate an organizational strengthening plan tailored to each organization that will increase

their capacity in the five dimensions and help ensure sustainability. During this past Quarter, CELI N/S has started working with 40 organizations in Bajo Cauca and the South of Córdoba and 45 organizations in Tumaco. Most of these organizations are being supported with funding for small infrastructure projects, productive activities or direct organizational strengthening.

- b. Strengthening fundamental values of self-worth, respect for life, legality, culture and identity.** Communications is the most important activity for strengthening social capital. We will focus on five main components in the design and implementation of communications activities: 1) Communications for change and building social capital; 2) management of learning; 3) support for consolidation; 4) commitments to USAID; and 5) project monitoring and evaluation. These activities will be carried through workshops, direct technical assistance to organizations, community radio programs, support for networks of women, co-sponsoring of sporting, cultural identity and awareness events, and others.

### 3. Foster Economic Development

- a. Productive Alliances.** CELI N/S has made significant advances in the approval and start of implementation of productive activities during this past quarter. Support for Productive Alliances (*Allianzas Productivas*) under the Ministry of Agriculture's 2011 call for proposals resulted in 11 approved projects (seven for Antioquia; three for Córdoba, and one for Tumaco). The first grant agreement was signed and 10 more were approved by USAID and are awaiting signature. The 11 Productive Alliances projects supported by CELI N/S will leverage US\$4.949.137 from the Ministry of Agriculture and US\$1,779.244 from the private sector with a USAID investment of US\$619,498. The success of these projects not only involves bringing government resources to the regions. It also represents an important commitment on the part of the private sector to work in the CELI N/S municipalities. The following businesses have linked up with the 11 approved Productive Alliances: *Latexport (caucho)*; *Compañía Nacional de Chocolates (cacao)*; *Casa Luker (cacao)* y *Lácteos del Norte (dairy)*, *Alpina (dairy)*. These important alliances will give sustainability and life to the market linkages of local producer associations in the short, medium and long-term.
- b. Market Linkages.** We moved ahead with an agreement with two cacao export businesses –*Mariana Cocoa Export* y *Magor Export*- that will identify alternative export and business models for the cacao producers in the CELI N/S areas. This agreement involves identifying different varieties of Colombian cacao that could interest specific niche markets, train cacao tasters to determine quality, and identify new processing alternatives and market opportunities both national and international.
- c. Fair Trade.** CELI N/S is currently supporting 12 producer associations in their efforts to secure UTZ Fair Trade certification, which is a label that currently covers fifty percent of the cacao, coffee and tea markets.

- d. Youth Enterprises.** The National Learning Service (SENA), Colombia's premiere occupational training institution, will carry out a program for "youth entrepreneurs" in Tumaco and Cauca with the support of the USAID grant.
- e. Access to Credit and Financial Services.** CELI N/S joined the other CELIs, USAID, the UACT, and the Public Policy project in the preparation and signing of an agreement with the Colombian Agrarian Bank (*Banco Agrario*) to provide financial services in the Consolidation areas. A similar agreement was reached with *BancaMía* Bank, a financial institution specializing in micro-finance, to expand micro-credit coverage and services in the municipalities of the Bajo Cauca and South of Córdoba.
- f. Local Savings and Loan Groups.** As part of its access to credit effort, CELI N/S hired one credit expert, for each of the three regions where it operates. Each credit expert will provide direct technical assistance to local financial institutions to expand micro lending, especially among urban and rural project beneficiaries. The three experts received training for a week in Bogotá and are now deployed in their respective regions. These experts will also be involved in the promotion of local savings and loan groups *Grupos Locales de Ahorro y Crédito* (GLAC) in the 16 CELI N/S municipalities. The GLAC program, highly successful in other parts of Colombia, will be implemented starting in the next Quarter as part of the Government's *Banca de Oportunidades* (BdeO) strategy. We are currently working with the organization *Iniciativas Empresariales de Desarrollo* (IED), which promotes the GLAC program for the BdeO, to learn the methodology. A planning workshop was held in September. The objective is to widely promote the practice of savings and loans among populations where there are no financial institutions present. Essentially, it functions in a manner similar to community banks where members of a group begin to save in common for the purpose of lending to each other. In 2013, we plan to form 875 such groups.

Through the end of this Quarter, USAID has approved 42 economic development projects with producer associations and *consejos comunitarios* in Antioquia, Córdoba and Tumaco for a total value of US\$6.491.652

#### 4. Social Infrastructure

During this past Quarter, USAID approved 86 social and productive infrastructure projects presented by CELI N/S that were prioritized by the three Regional Offices. For the most part, these infrastructure projects are being awarded to *juntas de acción comunal* (JAC), which are the governing bodies of the *veredas*, according to the Colombian constitution. To accompany the implementation of these infrastructure projects, CELI N/S is partnering with the Fundación para la Inversión Solidaria (FIS), a Colombian non-profit organization that pioneered participatory infrastructure. FIS will ensure that the JACs constitute community-based committees to manage and oversee the management of funds, purchase materials, hire construction supervisors and guarantee the successful execution of the project. CELI N/S infrastructure projects focus primarily on refurbishing schools, parks, playing fields, health posts, and tertiary roads. The more ambitious projects involve potable water systems and a river dock in Tumaco.

## 5. Land

The process of implementing programs to support land restitution and legalization has had implementation challenges due primarily to the difficulty of coming to agreement with the *Instituto Geográfico Agustín Codazzi* (IGAC), the *Unidad de Restitución de Tierras* and the *Instituto Colombiano de Desarrollo Rural* (INCODER). Nonetheless, as described below, CELI N/S is making progress in this important area.

- a. **Tumaco.** CELI N/S has been trying for at least two months to sign an agreement with the *Instituto Geográfico Agustín Codazzi* (IGAC). This organization is charged with land surveying and cadasters in Colombia and updating land property registrations in the *corregimientos* of Llorente and La Guayacana of the Municipality of Tumaco. However, IGAC first wishes to sign an agreement with the Municipality of Tumaco before entering into an agreement with CELI N/S. Hopefully, this situation will be resolved next quarter. Support for IGAC is expected to have multiple beneficial impacts, such as expediting the land restitution process, legalization, providing inputs for land use planning, clarifying land rights and creating the basis for improved municipal revenues for investment in infrastructure and social programs. As part of this effort, the Municipality is undertaking a broad-based information campaign to inform all parties of the scope and nature of this activity.

The project to support the work of the *Unidad de Restitución de Tierras*, also centered on La Guayacana and Llorente, is now in the final stages of USAID approval. This project will reconstruct land tenure history. A grant will be awarded to *Corporación Opción Legal*, an organization specialized in land issues, for the actual implementation of project activities.

- b. **South of Córdoba.** Progress is being made in the identification of an organization (similar to *Corporación Opción Legal*) to implement the project that will support the work of the Montería branch of the *Unidad de Restitución de Tierras*. This project will parallel what will be implemented in Tumaco, focused on the Municipalities of Montelíbano and Valencia. One possible organization to implement activities is the *Pastoral Social* of Montelíbano, which has legitimacy and a high level of trust among the local population.

During this past Quarter, CELI N/S's land specialist surveyed the five prioritized municipalities of the South of Córdoba. Discussions were held with numerous relevant players to assess interest, expectations and possible project activities in connection with land tenure issues, land restitution, and property registration. This opinion survey will help develop specific activities related to land tenure for implementation during 2013.

- c. **Antioquia.** CELI N/S is considering two proposals for action on land matters: 1) Establishment and strengthening of a local "Lands Office" in the municipality of El

Bagre; and 2) Assist the 10 municipalities of Antioquia to legalize land ownership of schools, clinics and other public infrastructure.

Finally, CELI N/S will continue discussions to join the other CELI operators in supporting the *Instituto Colombiano de Desarrollo Rural (INCODER)* in Antioquia, Córdoba y Nariño to collect, classify, organize, and digitally record property records. We will also assist the *Unidad Administrativa Especial de Restitución de Tierras Despojadas* by hiring a team of topographers to measure and geo-reference land that is slated for restitution in the three CELI N/S departments.

## **Cross Cutting Issues**

### **1. The Environment**

CELI N/S includes the criteria spelled out in Regulation 216 for the analysis of all projects submitted for USAID approval and funding through the CELI N/S Activity Fund. The Colombian Government also has its own environmental regulations, which we must follow. During the July-September 2012 Quarter, CELI N/S obtained environmental approval for 153 activities. As part of the approval process, on August 28-29 a USAID delegation traveled to Tumaco to review two shrimp farming projects, which were subsequently approved.

The CELI N/S Environmental Specialist conducted a training September 12-14, 2012 for staff in the South of Cordoba regional office in Montería on the application of the Regulation 216, good environmental practices and environmental mitigation measures.

### **6. Gender**

The Gender specialist, provided by Chemonics sub-contractor dTS, arrived at the end of the Quarter to undertake an assessment of how CELI N/S will conduct a well-structured and systematic gender analysis to ensure gender neutrality and equity in all project activities. The gender specialist will interview staff, participate in the staff training events planned for early October, and visit select projects in the three regions. The next steps will be to develop gender criteria and analytical instruments based on the context and scope of the CELI N/S project and to train CELI N/S program staff in the application of these instruments.

### **7. Communications**

During the past Quarter, most CELI N/S focused attention on the project design and approval committees. CELI N/S acquired audio visual equipment for each of the three regional offices and trained regional communications/social capital coordinators in the use of this equipment. During the upcoming quarter, a significant increase in communications efforts will be made.

# SECTION IV.

## Monitoring and Evaluation

### 1. Advances This Quarter

During this past Quarter, CELI N/S's M&E staff tracked results indicators for 70 grants and other direct implementation activities approved since the start of the contract. The main M&E activities conducted during the past Quarter can be summarized as follows:

- Designed and implemented the tools, formats and protocols for grantees and subcontractors to report implementation progress.
- Initiated the development of the M&E Tracking Module in the CELI N/S information system, expected to become operational November 12, 2012.
- Developed and put into operation the Approval and Grants Tracking Modules of the information system. Data from these systems will flow into the M&E Tracking Module.
- Linked results indicators for 149 approved projects and activities which were uploaded and approved in the Monitor System.
- Regularly reviewed Monitor system information fields and provided suggestions to USAID and DevTech for adjustments.

Following tables present the breakdown of project activities approved during this Quarter by region and component. Most activities will commence implementation in the next Quarter. These activities, and others that remain to be approved October and November 2012, will be the principal generators of results, such as project goals and beneficiary counts in the upcoming Quarter.

#### GRANTS AND ACTIVITIES APPROVED THIS QUARTER BY REGION

Table No. 4 (Bajo Cauca, North of Antioquia)

<b>Bajo Cauca, North Antioquia Regions</b>				
<b>Component</b>	<b># Activities</b>	<b>CELI NS Commitments</b>	<b>Counterpart funding</b>	<b>Total</b>
Improved governance	4	\$ 191.704.840	\$ 39.620.000	\$ 213.324.840
Increased social capital	7	\$ 461.585.200	\$ 281.989.400	\$ 743.574.600
Foster economic development	13	\$ 3.917.592.577	\$ 14.798.266.085	\$ 18.715.858.662
Social infrastructure	33	\$ 2.111.342.185	\$ 905.024.279	\$ 3.016.366.464
Land	1	\$ 218.800.000	\$ 299.220.240	\$ 518.020.240
<b>Total</b>	<b>58</b>	<b>\$ 6.901.024.802</b>	<b>\$ 16.324.120.004</b>	<b>\$ 23.225.144.806</b>
<b>Total US\$</b>	<b>58</b>	<b>US\$3,833,902</b>	<b>US\$9,068,955</b>	<b>US\$12,902,858</b>

Table No. 5 (South of Córdoba)

<b>South Córdoba Region</b>				
<b>Component</b>	<b># Activities</b>	<b>CELI NS Commitments</b>	<b>Counterpart funding</b>	<b>Total</b>
Improved governance	4	\$ 25.061.800	\$ 22.575.000	\$ 47.636.800
Increased social capital	3	\$ 211.978.000,00	\$ 203.049.000,00	\$ 415.027.000
Foster economic development	8	\$ 2.508.601.000	\$ 10.583.191.221	\$ 13.091.792.221
Social infrastructure	34	\$ 2.371.514.915	\$ 1.539.753.066	\$ 3.911.267.981
Land	0			
<b>Total COP\$</b>	<b>49</b>	<b>COP\$5.117.155.715</b>	<b>COP\$12.348.568.287</b>	<b>COP\$17.465.724.002</b>
<b>Total US\$</b>	<b>49</b>	<b>US\$2,842,864</b>	<b>US\$6,860,315</b>	<b>US\$9,703,180</b>

Table No. 6 (Tumaco)

<b>South-Tumaco Region</b>				
<b>Component</b>	<b># Activities</b>	<b>CELI NS Commitments</b>	<b>Counterpart funding</b>	<b>Total</b>
Improved governance	2	\$ 134.999.203	\$ 272.107.770	\$ 407.106.973
Increased social capital	5	\$ 698.784.300	\$ 287.735.000	\$ 986.519.300
Foster economic development	16	\$ 3.511.893.077	\$ 20.215.349.624	\$ 23.727.242.701
Social infrastructure	19	\$ 3.280.951.902	\$ 2.096.125.975	\$ 5.377.077.877
Land	0			
<b>Total COP\$</b>	<b>42</b>	<b>COP\$7.626.628.482</b>	<b>COP\$22.871.318.369</b>	<b>COP\$30.497.946.851</b>
<b>Total US\$</b>	<b>42</b>	<b>US\$4,237,015</b>	<b>US\$12,703,180</b>	<b>US\$16,943,303</b>

Table No. 7 (Consolidated Chart for all Regions in COP\$)

<b>Consolidated (COP \$)</b>				
<b>Component</b>	<b># Activities</b>	<b>CELI NS Commitments</b>	<b>Counterpart funding</b>	<b>Total</b>
Improved governance	10	\$ 341.981.003	\$ 334.302.770	\$ 676.283.773
Increased social capital	15	\$ 1.372.347.500	\$ 772.773.400	\$ 2.145.120.900
Foster economic developmen*	37	\$ 9.938.086.654	\$ 45.596.806.930	\$ 55.534.893.584
Social infrastructure	86	\$ 7.763.809.002	\$ 4.540.903.320	\$ 12.304.712.322
Land	1	\$ 218.800.000	\$ 299.220.240	\$ 518.020.240
<b>Total COP\$</b>	<b>149</b>	<b>COP\$19.644.808.999</b>	<b>COP\$51.544.006.660</b>	<b>COP\$71.188.815.659</b>

Table No. 8 (Consolidated Chart for all Regions in US\$)

Consolidated (USD\$)			Exchange rate	\$ 1.800
Component	# Activities	CELI NS Commitments	Counterpart funding	Total
Improved governance	10	\$ 195,425	\$ 185,724	\$ 381,149
Increased social capital	15	\$ 762,415	\$ 429,319	\$ 1,191,734
Foster economic development	37	\$ 5,521,159	\$ 25,331,559	\$30,852,719
Social infrastructure	86	\$ 4,313,227	\$ 2,522,724	\$ 6,835,951
Land	1	\$ 121,556	\$ 166,233	\$ 287,789
<b>Total</b>	<b>149</b>	<b>US\$10,913,783</b>	<b>US\$28,635,559</b>	<b>US\$39,549,342</b>

## 2. Progress with Indicators

During this Quarter results information was obtained for seven of the 17 CELI indicators, listed as follows: DO1-006, DO1-008, DO1-010, DO1-011, DO1-032, DO1-033 y DO1-034 and shown in the Mission Indicators Table 8. Of these indicators, we exceeded two results for 2012 (shown in green). The other five indicators only achieved 60 percent of expected results, as most project activity related to these indicators will become operational in the upcoming quarter. We expect to reach or exceed these indicators cumulatively for 2012 and 2013, except for four indicators that are currently under review by USAID. These pertain to:

- Improvement in the institutional capacity of government land and rural development organizations.
- Number and ranking of Consolidation municipalities that belong to a Rural Development Zone.
- Public resources leveraged in Consolidation areas attributable to the project.
- Number of rapid impact projects implemented by the Government.

Progress in meeting results to date is related to the implementation of the 70 grants and activities approved since the start of the CELI N/S contract. These mainly pertain to support for municipal development plans, activities related to consensus building and community consultation, the Productive Alliances, and direct support for the activities of social organizations.

Table No. 9. (Mission Indicators)

N°	Code	Indicator	Target FY 2012	Q1	Q2	Q3	Q4	TOTAL FY 2012	% Achievement
1	DO1-006	Public funds leveraged in CSDI zones attributable to USG Interventions	USD \$ 43.500.000	\$0	\$0	COP\$182,295,143 USD:\$101.812 (TC: 1790,5)	COP:\$30,385,143 USD:\$16.881 (TC:1800)	COP:\$212,680,286 USD\$118.156 (TC: 1800)	0,27%
2	DO1-007	Number and percentage of rapid impact projects implemented by the GoC	10	0	0	0	0	0	0%
3	DO1-008	Number of rapid impact projects implemented by USG implementers*	40	0	0	0	117	117	293%
4	DO1-010	Number of strategic national social programs implemented in CSDI municipalities.	7	0	0	3	1	4	57%
5	DO1-011	Number and percentage of people benefitted by national social programs implemented in CSDI municipalities.	11.250	0	0	2,234	1271	3505	31%
6	DO1-012	Number of beneficiaries receiving improved infrastructure services	4.000	0	0	0	0	0	0%
7	DO1-014	Scale of improved capacity of land and rural	25%	0%	0%	0%	0%	0%	0%

N°	Code	Indicator	Target FY 2012	Q1	Q2	Q3	Q4	TOTAL FY 2012	% Achievement
		development institutions							
8	DO1-023	Number and average ranking of CSDI municipalities that belong to a rural development zone (Programa de desarrollo rural con enfoque territorial.)	4	0	0	0	0	0	0%
9	DO1-025	Number of people who participate in CSOs supported by USG assistance	300(90F, 210M)	0	0	0	0	0	0%
10	DO1-026	Change in Index of Organizational Capacity (ICO) of CSOs supported by USG assistance	40%	0%	0%	0%	0%	0%	0%
11	DO1-029	Value of incremental sales of key supported products in CSDI zones	0	0	0	0	0	0	NA
12	DO1-030	Number of strategic rural and economic development programs with territorial approach implemented in CSDI municipalities	2	0	0	0	0	0	0%
13	DO1-031	Number and percentage of people benefitted by strategic rural and economic	6.900	0	0	0	0	0	0%

N°	Code	Indicator	Target FY 2012	Q1	Q2	Q3	Q4	TOTAL FY 2012	% Achievement
		development programs with territorial approach, implemented in CSDI municipalities.							
14	DO1-032	Private sector funds leveraged in CSDI zones attributable to USG Interventions	USD 2.000.000	\$0	\$0	COP \$397,268,268 USD \$221,876 (TC: 1790,5)	COP \$ 29,018,999 USD\$16.122 (TC:1800)	COP \$ 426,287,267 USD\$236.826 (TC:1800)	12%
15	DO1-033	Number of private-public alliances	4	0	0	0	13	13	325%
16	DO1-034	Number of rural households benefiting directly from USG interventions	2.000	0	0	46	96	142	7%
17	DO1-035	Number of people with a financial product form a local financial institution	1.066	0	0	0	0	0	0%

In addition to the indicators selected by USAID/Colombia, CELI N/S developed six additional indicators to measure activities not contemplated in the contract results framework. Following is a table which shows results thus far pertaining to these indicators:

Table No. 10. (CELI N/S Indicators Quarterly Results)

Code	Indicator	TOTAL FY 2012
P-01	Number of hectares of licit crops supported by the project.	0
P-02	Amount of funds provided to the Unidad Administrativa Especial para la Consolidación Territorial (UAECT) and its Regional Offices of Consolidation to facilitate the achievement of the objectives of the PNC.	USD\$117,869
P-03	Number of institutional strengthening activities supported in CSDI zones.	20
P-04	Number of social organizations participating in citizen and community participation spaces supported by the USG.	13
P-05	Number of permanent jobs created.	0
P-06	Number of people assisted and / or linked to activities project	20,364

**Note:** \* Quarterly progress for the indicators "Number of private-public alliances" and "Number of rapid impact projects implemented by USG implementers" is based on the way the "Monitor" system counts these indicators as attributable to an activity.

# SECTION V.

## CASE STUDY

### Women for Peace and Life

#### Women Leaders of the Nariño Pacific Coast



"Being organized helps us to be able to assert our rights," says Mireya Oviedo, ASOLIPNAR's legal representative.

USAID and the United Nations sponsored a training program in 2009 for women leaders of Tumaco – Nariño. One of the outcomes of the training was to open for them a new world of possibilities to improve their livelihoods after decades of suffering and mistreatment due to violence and pervasive poverty. Since then, over

5,000 women of the Nariño Pacific Coast, representing close to 200 grassroots organizations, have come together in a formidable network to advance the rights of women, children and their families, and struggle for peace and justice. In Feb 7, 2012, USAID, through Colombia Responde, awarded an US\$49,061 institutional support grant to this network that calls itself Association of Women Leaders of the Nariño Pacific – ASOLIPNAR.

The grant to ASOLIPNAR will strengthen their organization administratively and financially. It also provides audio visual and media equipment that is already generating income, while giving ASOLIPNAR a capacity to disseminate their program through radio and other media. This powerful tool in the hands of a committed network of women will be put to use to pursue peace and respect for human rights in one of Colombia's most troubled regions.

ASOLIPNAR recently submitted a video of its organization and work in Tumaco in response to an invitation to participate in Colombia's National Peace Prize to be awarded in November, 2012.

# SECTION VI.

## Grants and Sub-Contracts

### Activities Approved by USAID this Quarter.

CELI N/S, in conjunction with USAID, established a joint Project Approval Committee, to review and discuss all proposed grants. Members of this committee include the USAID COR for CELI N/S and members of his team, CELI N/S team members, regional directors and Grants and Sub-Contract staff. In anticipation of the Committee meetings, the Grants staff makes proposed project description and budget information available to Committee members for their prior review and scrutiny.

Most Project Approval Committee meetings take approximately one day and a half to review 20 project proposals. The Project Development Officer, assisted by the Municipal Facilitators, presents each proposal and responds to questions and comments of other Committee members. Should modifications be made to the terms of the project as a condition for awarding, these are listed in writing in a formal decision document that will become a part of the final grant agreement.

The first Committee meeting took place in Tumaco on July 12. From that date until the end of the Quarter a total of six Committee meetings were held, two in each of the three regions: Antioquia, Córdoba, and Tumaco. The following chart summarizes the results of these meetings:

*Table No. 11 (Summary Results Project Review Committees)*

Committe	Date	Place	Number of Approved Activities	USDollar Value
1	12/07/12	Tumaco	17	\$1,777,312
2	24/07/12	Tumaco	26	\$2,282,352
3	27/07/12	Medellín	20	\$1,702,986
4	9/08/12	Montería	37	\$1,889,781
5	21/08/12	Medellín	17	\$869,228
6	20/09/12	Montería	25	\$2,073,807
<b>TOTAL</b>			<b>142</b>	<b>US\$10,595,465</b>

Based on the above described methodology and during this Quarter, 135 activities were approved for implementation under grant agreements, with a value of \$COL19.359.419

and 14 activities were approved for direct implementation by CELI N/S valued at \$COL358.913.840 for a grand total of 149 approvals and a total value of US\$10,954.629.

During this Quarter, 41 of the approved grants were awarded and signed by both parties, with an obligation of US\$3,973.629. The following charts show the breakdown of the activities to be implemented directly by CELI N/S and those that will be awarded as grants to community groups, producer associations, and others. It also shows the number of grants signed during the Quarter and Activity Fund resources obligated by department.

Table No. 12 (Approved Non Grant Activities)

NON GRANTS	Number of Activities			Obligated	
	Approved	Awarded/ Completed	%	Approved in COP	Approved in USD
Antioquia	35	35	100%	\$1.438.703.035	\$799,279
Córdoba	13	13	100%	\$87.030.500	\$48,350
Nariño	19	19	100%	\$412.935.363	\$229,409
<b>Total</b>	<b>67</b>	<b>67</b>	<b>100%</b>	<b>COP\$1.938.668.898</b>	<b>US\$1,077,038</b>

Table NO. 13 (Approved Grants)

GRANTS	Number of Activities			Obligated			
	Approved	Awarded	%	Approved in COP	Approved in USD	Awarded in COP	Awarded in USD
Antioquia	60	18	30%	\$ 7.811.921.601	\$4,339,956	\$ 2.768.236.256	\$1,537,909
Córdoba	44	1	2%	\$ 5.224.032.915	\$2,902,241	\$ 139.585.000	\$77,547
Nariño	48	32	67%	\$ 8.617.454.159	\$4,787,475	\$ 5.753.377.860	\$3,196,321
<b>Total</b>	<b>152</b>	<b>51</b>	<b>34%</b>	<b>COP\$21.653.408.675</b>	<b>US\$12,029,671</b>	<b>COP\$8.661.199.116</b>	<b>US\$4,811,777</b>

# SECCION VII.

## Operations and Finance

### 1. Financial Performance

On July 30, 2012, through Contract Amendment No. 3, an additional USD \$31,500,000 was obligated to the contract. With this, the current obligated amount for CELI-N/S is USD \$49,489,534 out of which USD \$26,500,000 correspond to CLIN 3. The current obligation is expected to last through September 30, 2013.

As shown in the table below (Table 14), as of September 30, 2012, we have invoiced a total of USD\$7,304,409, including USD \$1 million in grants (CLIN3). During the next quarter (October – December 2012) we project expenditures for an additional USD \$8,087,266.

Table No. 14 Financial Summary

USAID/CELI-North/South					
Contract No. AID-514-C-12-00001					
Financial information summary (USD)					
<b>Contract ceiling: US\$89,570,250</b>					
<b>Obligated amount: US\$49,489,534 (through September 30, 2013)</b>					
<b>LOC obligated amount: US\$26,500,000</b>					
Budget item	Invoiced through September 2012	FY 2013 – Q1			Total (invoiced plus projected)
		Projections			
		12-Oct	12-Nov	12-Dec	
<b>CLIN 1 – Operational</b>	\$5,915,623	\$694,799	\$634,302	\$1,000,914	\$8,245,638
<b>CLIN 2 – Activity Fund non Grants</b>	\$372,904	\$75,645	\$78,117	\$75,358	\$602,024
<b>CLIN 3 – Activity Fund LOC (grants)</b>	\$1,015,882	\$2,339,948	\$1,258,674	\$1,929,509	\$6,544,013
<b>Total</b>	US\$7,304,409	US\$3,110,392	US\$1,971,093	US\$3,005,781	US\$15,391,675

During this quarter, USAID and Chemonics held a series of meetings to discuss possible budget scenarios that reflect current project staffing structure and geographic coverage. Per USAID's guidance, Chemonics will submit a budget realignment considering staffing the offices in Bogota, Medellin, Caucasia, Monteria and Tumaco. Funds will also be reserved should USAID instruct Chemonics to open an office in Putumayo and initiate project operations during the second quarter of FY 2013 or at a later date. The proposed budget realignment also contemplates transferring funds from the Activity Fund to the

operational budget to cover the costs associated with the 15 municipal liaisons and to compensate for exchange rate differential losses.

## 2. Operations

### a. Personnel

- Changes in key personnel. Per contract amendment number 2, dated July 24, 2012, the number of key personnel positions was reduced from five to three: COP, DCOP and Grants & Contracts director.
- Starting July 13, 2012, Mr. Jose Felix Montoya assumed the DCOP position for the CELI-N/S contract.
- Mr. Darío Mejía was promoted from PDO to Antioquia Regional Director, a position previously held by Mr. Montoya
- Changes due to personnel departures
  - ✓ Senior Economic Development/Rapid Response Advisor, Gregorio Llano resigned from the project effective July 1, 2012. This position will not be replaced.
  - ✓ Hasan Oquendo, Tumaco's credit PDO, left the project and was replaced by Jerson Jairo Angulo
  - ✓ Miguel Angel Linares was hired as Montería's M&E Assistant, replacing Ivan Leonardo Martin who resigned.
  - ✓ PDO for Bajo Cauca Gloria Patricia Sierra replaced Luis Fernando Vanegas who resigned. This position is provided under the CODESARROLLO sub-contract.
  - ✓ Marvin Acosta was hired for the PDO position previously held by Darío Mejía.
- As of September 30, 2012, CELI-N/S had 83 people on staff, including 15 municipal liaisons/coordinators. Positions pending to be hired include one driver for Cauca, two drivers in Montería and the social capital/communications coordinator for Montería.

Table N° 15 - CELI-N/S Personnel Hires

Office location	Personnel hired through FY2012 Q3	Pending
Bogotá	22	0
Medellin	18 (including 4 municipal liaisons)	0
Caucasia	16 (including 6 municipal liaisons)	1 (driver)
Montería	11 (including 5 municipal liaisons)	3 (social capital coordinator and 2 drivers)
Tumaco	16	0
<b>TOTAL</b>	<b>83</b>	<b>4</b>

## b. Other Administrative and Operational Activities completed this Quarter

- Project personnel are assigned to our permanent offices in Bogota, Medellin, Monteria, Cauca and Tumaco.
- CELI-N/S received one of the two vehicles authorized to be transferred from PADF to Chemonics. The second vehicle, going to Montería, is still awaiting transfer paperwork and documentation. As of September 30, 2012, CELI-N/S had 6 vehicles: one in Bogota, one in Tumaco, one in Monteria, two in Cauca and one in Medellin.
- With support from the Chemonics home office and CELI-N/S' in-house software expert, the Approval Module was completed and put in operation. By the end of this Quarter, 43 approval documents were processed using this new web-based Approval Module, which is capable of generating automatic approval status reports and notifications.

Table N° 16 – Approvals Broken Down By Category



Table N° 17 – Activity Fund Approvals through September 30, 2012



- Final approval of the Field Procurement Guide was received on July 6, 2012
- **Quarterly strategy review.** On September 18, 2012 CELI held a meeting with *Consolidación* and USAID to present lessons learned and a status report of the work done in the first year of the project (Oct. 2011 – Sept. 2012) and define with *Consolidación* the strategy and geographic scope of the intervention for the Second Project Year (Oct. 2012 – Sept. 2013). More than 30 people participated in the meeting, including representatives from UACT’s Bogota office and their “*Gerentes Regionales de Consolidación*” for Tumaco (Fabio Trujillo), Nudo de Paramillo (Mario Indaburo) and Antioquia (Gregorio Mejia). Detailed meeting notes were distributed among all participants.

Three senior staff meetings were held during this quarter: July 9, August 17 and September 17. The purpose of these regularly scheduled meetings is to review the status of project implementation activities by region, identify solutions to problems/bottlenecks in the grants’ approval cycle and other areas, share lessons learned and best practices in project implementation and discuss security administrative issues.

# SECTION VIII.

## Activities Planned for the Next Quarter

The October-December, 2012 quarter is likely to be the busiest and most intense since the start of the CELI North/South Contract. Two major sets of activities will converge during this quarter that will require the simultaneous attention of all staff.

The first involves completing and signing the grant agreements for the 94 projects approved in the last quarter. We also anticipate convening a final technical review committee with USAID to consider an additional 19 grant awards, which will bring the total for the year to 238. Our plan is to complete all grant awards, launch project activities and make first disbursements for as many grants as possible by the end of the 2012 calendar year. Our current projection is to disburse from the Activity Fund (Grants and Non-grants) USD\$5,757,251 by December 31<sup>st</sup> in addition to USD\$ 1,388,786 already disbursed through September 30, 2012. This poses a significant operational, logistical and programmatic challenge given the concentrated volume of the first year grants in addition to focusing on planning processes for the second year. We also expect to have in place grants to the Fundación para la Inversión Social (FIS) for work in Tumaco, North of Antioquia, Bajo Cauca, and South of Córdoba to provide support for the 86 social and productive infrastructure projects we anticipate implementing over the next six months. We are identifying similar support agencies to backstop the implementation of the 42 productive activities that will be fully operational by the end of this quarter. As most grants are being implemented by weak grassroots organizations that represent beneficiaries, we will set in place diverse organizational strengthening activities with partners such as SENA and other stronger associations of producers. Our communications staff will set in place municipal and community based communications activities that will reinforce grant implementation. Special support will be given to community radio stations. Finally, during the upcoming quarter we will develop gender indicators and analysis instruments to ensure that grant activity reflects gender equity, sensitivity and balance.

CELI North/South's second major focus during the upcoming quarter will be to reengage municipal and community authorities in the 16 municipalities to define a new set of project activities for implementation during the second contract year. By December 15, we expect to pre-commit \$12 million in new Activity Fund resources for 2013 grants. We will conduct this consultation, priority setting and planning process in conjunction with the RCCs. An important part of this effort will be to identify new focalization areas in the 16 municipalities based on strategic considerations that will help advance the project to the ultimate goal of territorial consolidation. The selection of the new focalized areas will consider the yellow and red designations of the Government's traffic light system. Criteria for selecting project activities for 2013 were discussed with the UACT and USAID and agreed upon. The criteria includes a) reinforcing and expanding work in existing (2012) focalized areas; 2) selecting new focalized areas that build on the 2012 intervention; 3) Increase municipal

and other financial counterpart contributions. With this information, CELI North/South will complete the Second Year Work Plan for submission to USAID on December 15, 2012.

During the upcoming quarter, CELI North/South will also complete and put in operation the M&E software for recording project progress in meeting indicators. This task will involve uploading all approved grants to the system and training grantees on how to record advances in the implementation of activities. We will also upload grant information on all approved grants into the newly completed Grants and Contracts Tracking and Management system. This will greatly increase efficiency in reporting grant information and tracking grant performance and disbursements.

CELI North/South will make a concerted effort to bring to fruition its support for the Land Restitution and Formalization effort with the Land Restitution Unit at the national and regional levels, the INCODER support for updating its land records, and other municipal and department efforts to deal with land tenure issues. We will also have in operation access to credit programs through various instruments that are currently in the process of implementation.

Finally, we will also focus on building a positive relationship with the new UACT leadership, strengthening our interaction with other USAID contractors, and connecting with national grants programs such as Alianzas Productivas and Oportunidades Rurales that are being launched during the final quarter of 2012.

# SECTION IX.

## ANNUAL REPORT 2012

### CELI North/South

#### 1. Project Purpose

The Colombia Enhanced Livelihood Initiative North/South (CELI N/S) has the mission to assist the Government of Colombia (GOC) regain national authority over parts of its territory under the control or influence of insurgent groups and, in recent years, competing criminal gangs engaged in the production of illegal crops, drug trafficking, kidnapping, extortion and terrorist activity. CELI N/S's purpose is to support and accompany the implementation of the GOC's Administrative Unit for Territorial Consolidation (UACT), housed under the Department for Social Prosperity (DPS) of the Office of the President, in 16 prioritized municipalities (10 in the Department of Antioquia, five in Southern Córdoba, and Tumaco in the Department of Nariño). CELI N/S's implementation strategy consists of an integrated development program focused on the following components:

- Improved Governance
- Increased Social Capital
- Fostering Economic Development
- Social Infrastructure
- Land

CELI N/S also carries out activities in the cross-cutting areas:

- Environmental awareness and sensitivity,
- Gender equity
- Communications to support a culture of legality and good citizenship

Projects supported in the above programmatic components are the outcome of a broad-based consultative process involving all relevant local municipal and community stakeholders, and reflect the interests and priorities of the local population. Most grants are awarded to local community organizations and producer associations for the implementation of activities, such as basic infrastructure, food security, agricultural production and marketing, organizational development and strengthening, cultural identify, and strengthening social capital. All grants are implemented on a co-funding basis with counterpart resources provided by local and department governments, national government agencies and programs, the private sector, and the beneficiary communities.

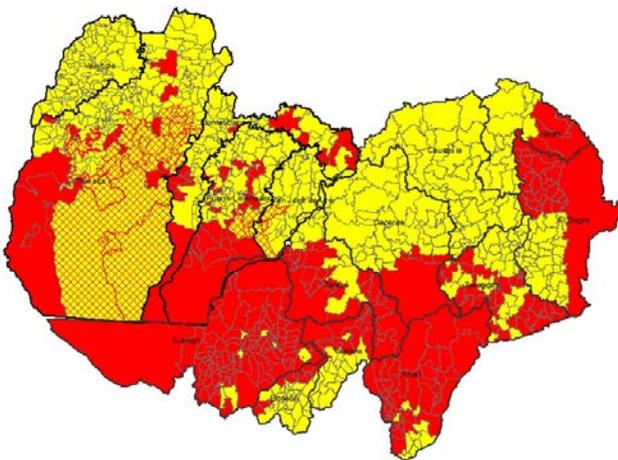
## 2. Context

The major event affecting the work of CELI N/S and the GOC's Consolidation effort in general is the start of the peace talks on October 6<sup>th</sup>, 2012 between the GOC and the Revolutionary Armed Forces of Colombia (FARC). This historic event has been felt virtually all CELI N/S municipalities. First, we have witnessed heightened armed actions, such as the blowing of high tension stations, attacks on military posts, especially in the municipalities of Tumaco and the North of Antioquia. We have also seen clear signs that the FARC is intent on increasing its political presence by influencing community organizations and calling for peasant marches and mobilization. Fortunately, thus far, there have been no overt threats on the CELI N/S's work, though we are certain the FARC is aware of our presence and growing relationship with community groups.

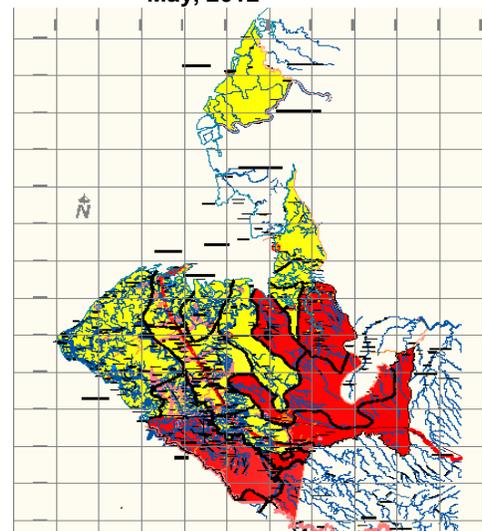
During this past month we have also heard reports of the emergence in the Antioquia's Bajo Cauca, of two new criminal gangs, the "Nordeste" and the "Caparrapos", which appear to have strong links to the FARC. This increasing interdependence between the guerrilla movement and criminal gangs for control of the drug trade, illegal mining, and extortion is a matter of great concern. In fact there are signs that the FARC may be relying on criminal gangs to help control the actions and loyalty of the local population.

In October there were no changes in the "semáforo" or traffic light that colors consolidation municipalities in yellow areas that are in transition to State control and red which remain under the domination of illegal armed groups. The last updating of the "semáforo" took place in August, 2012, when 21 additional "veredas" changed color from red to yellow, and only four moved in the other direction. The attached maps show the current configuration of the "semáforo" in the CELI N/S municipalities:

**Antioquia and South of Cordoba**  
August, 2012



**Tumaco**  
May, 2012



The other major occurrence in October was the resignation of Alvaro Balcázar, the director of the UACT. A new director, Germán Chamorro has been named, but we have yet to determine the impact of this change on CELI N/S operations.

### 3. Financial Information:

During the first project year, CELI-N/S spent a total of US\$7.3 million, including US\$1 million in grants (CLIN3). Total expenditures to date represent an 8.15% of the contract ceiling (US\$89.57 million) and a 14.76% of the obligated amount (US\$49.48 million). Over the next quarter (Oct-Dec. 2012), we project an additional US\$8 million in expenditures with more than 50% (US\$5.5 million) corresponding to grants disbursements (CLIN3). (Tables 18 & 19)

Table No.18 – Financial Information Summary

USAID/CELI-North/South					
Contract No. AID-514-C-12-00001					
Financial information summary: Cumulative expenditures + Accruals (USD\$)					
<b>Contract ceiling: \$89,570,250</b>					
<b>Obligated amount: \$49,489,534 (through September 30, 2013)</b>					
<b>LOC obligated amount: \$26,500,000</b>					
Budget item	Invoiced through September 2012	FY 2013 – Q1			Total (invoiced plus projected)
		Projections			
		12-Oct	12-Nov	12-Dec	
CLIN 1 – Operational	\$5,915,623	\$694,799	\$634,302	\$1,000,914	\$8,245,638
CLIN 2 – Activity Fund no LOC	\$372,904	\$75,645	\$78,117	\$75,358	\$602,024
CLIN 3 – Activity Fund LOC (grants)	\$1,015,882	\$2,339,948	\$1,258,674	\$1,929,509	\$6,544,013
<b>Total</b>	US\$7,304,409	US\$3,110,392	US\$1,971,093	US\$3,005,781	US\$15,391,675

Table No. 19- Status of Obligations

<b>USAID/CELI-North/South</b> <b>Contract No. AID-514-C-12-00001</b> <b>Financial information summary: Obligation status</b>						
Summary	Ceiling Amount	Obligated Amount (A)	Expenditures through Sept. 2012 (B)	Projections FY 2012 - Q1 (D)	Total Expenditures + Projections (E = B+D)	Obligation balance (A - E)
Total contract (CLIN 1, CLIN 2 and CLIN 3)	\$89,570,250	\$49,489,534	\$7,304,409	\$8,087,266	\$15,391,675	\$34,097,859
CLIN 3 – Activity Fund LOC (grants)	\$50,500,000	\$26,500,000	\$1,015,882	\$5,528,131	\$6,544,013	\$19,955,987
CLIN 1 (Operational) and CLIN 2 (Activity Fund / no LOC)	\$39,070,250	\$22,989,534	\$6,288,527	\$2,559,135	\$8,847,662	\$14,141,872

## 4. Program Progress

### a. Total funded by component

Table No. 20 – Total Program Obligations and Counterparts

Consolidated						Total Executed	
Component	# Activities	CELI NS Commitments	Counterpart Public funding	Counterpart private funding	Total	Private funding	Public funding
Improved governance	61	\$2,539,937.167	\$ 614,425.270	\$ 90,420.000	\$ 3,244,782.437	\$426,158.267	\$212,680.286
Increased social capital	34	\$3,741,946.190	\$ 1,477,251.688	\$ 656,963.370	\$ 5,876,161.248		
Foster economic development	49	\$11,684,974.183	<b>\$ 16,562,559.774</b>	\$ 35,389,919.046	\$ 63,637,453.003	\$ 129,000	
Social infrastructure	95	\$8,753,535.540	\$4,224,172.113	\$ 623,053.543	\$ 13,600,761.196		
Land	5	\$842,095.000	\$ 1,143,352.273		\$1,985,447.273		
Other*	8	\$656,488.292		\$ 6,600.000	\$ 663,088.292		
<b>Total COP</b>	<b>252</b>	<b>\$28,218,976.372</b>	<b>\$ 24,021,761.118</b>	<b>\$ 36,766,955.959</b>	<b>\$89,007,693.449</b>	<b>\$426,287.267</b>	<b>\$212,680.286</b>
<b>Total US\$</b>		<b>US\$15,677,209</b>	<b>US\$13,345,423</b>	<b>US\$20,426,087</b>	<b>US\$49,448,719</b>	<b>US\$236,826</b>	<b>US\$118,156</b>

\*Support for National Consolidation and Regional Consolidation Center Activities.

## **b. Summary of the main achievements of the program by component.**

During CELI N/S's First Contract Year, considerable progress has been made programmatically. CELI N/S virtually hit the ground running following contract start-up on October 24, 2011. With municipal and department elections taking place October 30<sup>th</sup>, CELI N/S was required to spring into action immediately to support the November-December transition between incoming and outgoing administrations. This period, known as the *empalme* (literally described as the "hand-over") has the dual purpose of requiring outgoing authorities to transfer to the newly elected officials a "state of municipality or department report", while at the same time preparing these new officials to take office. CELI N/S supported this process for the 16 municipalities that make-up the North/South corridors by enabling new mayors to travel to Bogotá to participate in training events sponsored by Colombia's Departamento Nacional de Planificación (DNP) to prepare new officials on the fundamental responsibilities they will soon assume.

CELI N/S was also immediately called upon to support the Regional Consolidation Centers (RCC) of Antioquia, Córdoba, and Nariño (Tumaco) to review and update their Regional Consolidation Plans. A group of consultants were contracted for this purpose with the guidance and support of the Public Policy project, which has played an active role in helping the CELI operators address the needs of their various Consolidation areas.

After the new authorities took office on January 1, 2012, CELI N/S went to work supporting their initial responsibilities, primarily the formulation of the Municipal Development Plans that will cover their four-year terms of office. At USAID's request, we also supported the preparation of development plans for four municipalities in Putumayo and seven municipalities in Catatumbo (see Section II A.a.). CELI N/S supported this activity by contracting specialized organizations and universities to provide expert consultants, and, in the case of Tumaco and Valencia, directly hiring consultants. In Tumaco, we also supported a consultative process to identify social and economic development needs of the 15 *consejos comunitarios*, which are legally recognized organizations of Afro-Colombians who have been adjudicated collective ownership over large parcels of ancestral lands.

Soon after the new mayors and governors took office, CELI N/S, working hand in hand with the managers and staff of the three RCCs, began a broad-based consultative process simultaneously in all 16 target municipalities involving mayors, national and department government agencies, community leaders, representatives of producer associations, and other private sector stakeholders to define a strategically focused set of program activities that would address the CELI N/S program components. On April 18, 2012, CELI N/S in conjunction with our RCC counterpart for the Department of Nariño, presented to USAID and the national Consolidation leadership a comprehensive set of activities for implementation in Tumaco to strengthen the municipal government and generate social and economic development in seven prioritized areas. All projects reflected community demands and priorities, as well as municipal felt needs. A similar meeting took place on

April 24, 2012 when CELI N/S presented, in conjunction with the RCCs of Antioquia and Córdoba, a corresponding set of activities that were prioritized by municipal authorities and community leaders of the 15 municipalities of the Northern Corridor (North of Antioquia, Bajo Cauca, and South of Córdoba).

Since that time, CELI N/S staff has been diligently working to transform the more than 370 activities prioritized by the 16 municipalities and community organizations into viable projects to be awarded as grants to mainly local organizations representing beneficiaries. Table 19 depicts by program component the 252 grants and activities approved as of September 30, 2012, which carry a USAID investment of US\$15.677.209, leveraging US\$ 13.345.423 in government counterpart contributions and US\$20.426.087 in private funding. Through September 30, 2012, CELI N/S had disbursed US\$1,388,786 to operationalize these grants and activities, with scheduled disbursements of an additional US\$5,757,251 by the December 31, 2012, when all grants and activities will be in full operational phase.

**i. Improved Governance:** To date, USAID has approved 61 funding actions (grants and direct implementation activities) for a commitment of US\$1,411,076 in Activity Fund resources to strengthen municipal and department governance, and provide institutional support to the RCCs of Antioquia, Córdoba and Tumaco. A major part of this support went to help the 16 CELI N/S municipalities develop their four-year plans. Significant support was provided to the RCCs. In Tumaco support for the *Unidad de Gestión para el Desarrollo Integral Municipal*, a body that brings together most important municipal stakeholders, has been a major contribution for better coordination and planning. In Antioquia CELI N/S supported projects to improve public finances in nine municipalities and an alliance was forged with the *Universidad de Antioquia* to strengthen municipal administration. In Córdoba we teamed up with the Fundación San Isidro to support the municipal plans of Montelíbano, Tierralta, and San José de Uré and discussions are underway to enlist the support of the University of Antioquia and the Pontificia Universidad Bolivariana de Córdoba to strengthen municipal administration.

**ii. Increased Social Capital/Communications:** USAID funds amounting to US\$2,078,858 went to support 34 grants and activities in communications and building social capital through institutional strengthening. Projects involving sports, youth, music, cultural values and awareness, community radios, networking, and connecting women's organization are included in this component. Support for strengthening associations of *juntas de acción comunal* was provided in both Antioquia and Córdoba. These associations called *Asocumunal* are critically important organizations for building social capital and facilitating communications at the municipal level.

**iii. Economic Development:** The largest single programmatic commitment for a total of US\$6,491,652 went to support 49 economic development and food security projects in the 16 municipalities. Part of these resources supported the 11 Productive Alliances projects,

and the rest went to individual producer associations and *consejos comunitarios* for improving and/or implementing new coffee, cacao, and rubber plantations, as well as food crops for local consumption and marketing. Other economic projects include fish farming and shrimp culture. Activities to promote access to credit and financial services are lumped into this general component, including the promotion of savings and loan groups (Grupos Locales de Ahorro y Crédito – GLAC). In Tumaco the major focus of support for economic development is to support the productive activities of the *consejos comunitarios* of Rescate las Varas, Gualajo, and Río Rosario. In Tumaco, we also teamed-up with SENA and the Municipality to undertake a youth enterprise program. In Antioquia and Córdoba, in addition to supporting a variety of producer associations engaged in coffee, cacao, rubber, and dairy, fish farming and food security, we also establish market linkages with private sector companies, such as Magor-Export, Casa Luker, and Latexport.

**iv. Social Infrastructure:** The largest number of grants involved an assortment of small infrastructure projects. A total of 95 such projects were divided among the 16 municipalities with a USAID investment of US\$4,863,075 million. Most grants were awarded as Fixed Obligation Grants (FOG) to *juntas de acción comunal* for direct implementation by these legally recognized community organizations. Projects included school repair, school furnishings, cement slabs for sporting activities (basketball and soccer), repair of health posts, pedestrian bridges, tertiary road improvements, pedestrian walkways, youth parks, water systems and one river dock in Tumaco. To support, guide and supervise the implementation of these infrastructure projects, CELI N/S engaged the services of the *Fundación para la Inversión Social* (FIS) a well-known Colombian NGO that specializes in participatory, self-help community infrastructure. FIS is already working in Tumaco, and will soon field teams of specialist in Antioquia and Córdoba.

**v. Land:** As mentioned in other sections of this report, CELI N/S has experienced difficulty and delays in launching its support for Colombia's priority focus on land restitution and formalization. Nonetheless, 5 activities valued at \$467,830 in USAID investment have been approved and are awaiting implementation. CELI N/S land programs primarily involve support for Colombian institutions legally responsible for land tenure issues. These are the *Instituto Geográfico Agustín Codazzi* (IGAC), the *Unidad de Restitución de Tierras* and the *Instituto Colombiano de Desarrollo Rural* (INCODER). We continue negotiations with IGAC. Support for the *Unidad de Restitución* is being carried through awarding grants to third party specialized agencies, such as the NGO *Corporación Opción Legal*. Support for INCODER will involve sub-contracting a third part, in coordination with the other CELI contractors, primarily to work on updating archives nationally and in the various regions where the CELI projects are active. Other activities involving land will focus on supporting municipal "land" offices in Tumaco, and El Bagre. In the case of El Bagre, CELI N/S will join forces with the Department of Antioquia and CORANTIOQUIA, the autonomous environmental agency for the Department.

**vi. Gender:** CELI N/S will implement a comprehensive gender strategy. For this purpose, we requested the presence in Colombia of a gender specialist, provided by Chemonics sub-contractor dTS, to undertake an assessment of how CELI N/S will conduct a well-structured and systematic gender analysis to ensure gender neutrality and equity in all project activities. The gender specialist interviewed staff, participated in the staff training events in October, 2012 and visited select projects in the three regions. The next steps will be to develop gender criteria and analytical instruments based on the realities and nature of the CELI N/S project, and conduct training workshops for CELI N/S program staff in the application of these instruments. This will take place in November or early December, 2012.

# **ANNEX.**

## **Matrix of Activities Approved this Quarter**