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PUBLIC POLICY PROGRAM

QUARTERLY REPORT – Q4

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COLOMBIA PUBLIC POLICY

Quarterly report - Q4

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EXECUTIVE SUMMARY

The USAID Public Policy Program has been supporting the Government of Colombia (GOC) in the design and implementation of key reforms in land and rural development, access to financial services, provision of social services, housing, and improved livelihoods of vulnerable populations, decentralization, improved governance and promotion of local economic growth, labor rights and improved labor markets, and environment and low carbon growth and development and is reporting activities and accomplishments obtained on its fourth quarter of implementation.

Challenges have been numerous during the first year, most significantly, the need for the program to adapt to the new government's policy agenda. The Program and USAID re-evaluated the results and activities established in the original contract work plan and made changes to reflect the new priorities of the Santos Administration and USAID. On September 16, AECOM and USAID mutually agreed that a modification to the contract was needed. As a result, a request was presented to USAID to modify the contract to meet the needs of the government and USAID priorities. The modification as proposed to USAID will eliminate the 6 Components of the contract and consolidate the new efforts into three Pillars of Land, Victims and Consolidation. The modification will also identify activities that will be phased out and will adjust the Results and Performance Standards found in the work plan approved by USAID in May 2011. In this quarterly report, AECOM is reporting on the Results and Performance Standards found in the work plan approved by USAID in May 2011. In Quarter 5, the program will start reporting under the new Pillar structure activities.

During the Fourth Quarter, the program achieved several important results. It supported public dialogue and the drafting of five Laws under Components 3 and 4 that are being submitted by GOC to Congress for legislative approval. These Laws are the following:

- Law that establishes affirmative action procedures for Afro-Colombian communities.
- Law that implements the UN Convention of Persons with Disabilities
- Two laws that reform the budget process and improve transparency in the budget process.
- Law that promotes public-private partnerships.

Since the contract started, the Public Policy Program has supported 15 laws (the target was to support 16 Laws over the life of project). In the next quarter, GOC will submit to Congress another three laws that have been supported by the Program, including the Land and Rural Development Law, the Royalties Regime Law, the Electronic Transactions Law, and the Access to Finance Law.

In the same capacity, the Program also supported eight decrees issued by the GOC, two institutional reforms, and the design of six policy instruments. Prominent among the various support provided to draft the decrees, is the program's significant support to the implementation of the Victims' Law. One of the decrees implements the Victims' Law for AfroColombian and Indigenous Communities, while the other decree regulates the implementation of the Victims Comprehensive Care and Relief Plan for victims.

Following the executive powers awarded to the President to reform several Ministries, the Public Policy Program supported the reform of the Ministry of Environment and the Reform of the Ministry of Labor. During fourth quarter the Program also supported several other institutional reforms, including those related to the Victims' Law including the Social Inclusion Department (Former Accion Social), the Land Restitution Unit linked to the Ministry of Agriculture by the Victims' Law, the Victims Unit, and during the fifth quarter, the program will support others institutional reforms including the creation of the CONAT (Presidential Land Use Management), the UPRA (Agriculture LAND Regulation Agency) and

the reform of INCODER and others including the creation of the CONAT (Presidential Land Use Management Council), and UPRA (Agriculture land regulation agency).

The Program is also supporting two key CONPES documents to be approved during the next quarter. First, the Program is supporting the National Consolidation CONPES document that will allocate the resources and recommend that different GOC agencies make adjustments to their policies and programs to make them more responsive to the needs of the Consolidation Zones. Similarly, the program continues to support the Victims CONPES document that established the budget allocations ensuring that different Ministries and agencies can deliver the services and infrastructure required by the Comprehensive Care and Relief plan issued by GOC in October.

Throughout the reporting quarter, the Program contracted 54 short-term technical experts to support numerous activities and was able to engage about 600 participants in 26 workshops and events. Several of these activities that were anticipated to take place during Years 4 and 5 were implemented in Year One, consequently results initially envisioned on the original timeline, were achieved at a much earlier date.

Synergies with other components and USAID Programs

The Public Policy Program has established synergies with other USAID Programs to facilitate implementation of GOC policies at the sub-national level and to improve service delivery in USAID priority areas and promote state presence in Consolidation Zones. The program has explained the GOC reforms, and discussed how these reforms can be implemented immediately. Similarly, the Program has reviewed bottlenecks faced by USAID programs in the field to identify policy solution needs. During the next quarter the Public Policy Program will work with Colombia Responde/CHF in Montes de Maria to begin planning the Contrato Plan of the region. Similar work is likely to begin in the Meta and Tolima regions with Colombia Responde/ARD and in Guajira and Cesar with ACIP/ACDI VOCA.

COMPONENT 1: LAND POLICY

The Policy Program continued supporting GOC by providing technical assistance in the development of land strategies, policies and legal reforms to achieve four long term (10-15 years) GOC objectives: a) Formalizing and protecting the property of families with small landholdings; b) Reinstating property to victims of land seizure by illegally armed groups; and, c) Providing access to prime arable land through more efficient land markets and well-designed subsidies for poor landless farmers and conflict-affected populations d) Designing a comprehensive rural development policy to generate sustainable livelihoods and income opportunities for restituted and other rural communities, including communities that live in Consolidation Areas.

The Policy Program continued to build the momentum generated from GOC's new land and rural development-related initiatives and will work in coordination with the appropriate GOC entities, including the Ministry of Agriculture (MOA), the Ministry of Interior (MOI), Ministry of Environment and Housing (MOEH), Departamento Nacional de Planeación (DNP), Instituto Colombiano de Desarrollo Rural (INCODER), Instituto Colombiano Agustin Codazzi (IGAC), Consejo Superior de la Judicatura (CSJ) and others. We have frontloaded the land policy component activities to be responsive to the existing window of opportunities and the political momentum created by the government to address land and rural development issues.

There have been a number of challenges that the program had faced during the life of the project. For instance, the third quarterly report explained that the Victims' Law created a number of opportunities and challenges including the creation of the Special Administrative Unit for Land Restitution. While the program is supporting the timely creation of this Unit, one main challenge is to coordinate its functions with other entities that must address victims' issues. Providing security to victims is a high priority. The

support of the Ministry of Defense to strengthen security measures is key to the success of restitution measures.

Another major challenge is the coordination among restitution processes established by the Victims' Law, the existing Justice and Peace processes, and the administrative processes, which INCODER has been testing. In many cases there are multiple claims on the same land being heard by several judges. Although the Victims' Law gives the restitution judge the right to decide the case, in some cases other processes (e.g. Justice and Peace or Administrative) may be more appropriate. The Restitution Unit may play an important role in channeling cases to the most appropriate processes.

After restitution, the GOC must ensure sustainable livelihoods opportunities in order to stabilize returnees. It is expected that the passage of the Land and Rural Development bill which is being revised by MARD will help overcome this challenge. Land access and agricultural policy instruments are being reformed in order to enable a regional approach to rural development and the creation of sustainable income generation initiatives in rural areas.

The institutional reform will redefine the functions and responsibilities of MARD and INCODER. The program is helping to define the new roles and responsibilities.

SUMMARY OF MAJOR ACCOMPLISHMENTS

Support for Implementation of the Victims Law

The USAID Public Policy Program has provided fundamental support in drafting decrees for the creation of the new Special Administrative Unit for Land Restitution, and in designing the Land Restitution and Rural Property Information System. The program is also contributing to the design of the action plan for the new Restitution Unit which includes important issues such as interagency coordination between key institutions, the new Victims Unit and the Ministry of Defense to include security measures in the restitution process, contributing to safer returns.

The Victims Law issued on June 10, 2011 ordered the Government to adopt within six months, all necessary measures to implement the new land restitution system. The government had to assume this responsibility without adequate resources, which is why international cooperation has become indispensable to support regulation and institutional readiness.

Land Restitution Accomplishments

- The USAID Public Policy Program supported the Ministry of Agriculture and INCODER in the evaluation of 20 emblematic land seizure cases and in the development of procedures to restore property rights to victims (about 700 families). One of these cases was resolved during the quarter, but the greatest value of this exercise lies in identifying the limitations and difficulties impeding the restoration of rights. The program carried out a workshop to evaluate lessons learned in the development of these cases and identified legal reforms that can expedite administrative restitution. A second product of this activity is a manual on restoration of rights to beneficiaries of agrarian reform. Many victims of land dispossession received land titles under land reform programs developed by the Colombian Institute of Agrarian Reform (INCORA, INCODER predecessor). However, many titles were revoked through administrative decision made by corrupt officials or designates that were allied with members of illegal armed groups.
- The Program provided technical assistance to the MARD on emblematic land restitution cases which hold symbolic significance for certain communities and are important examples of political will.

- Upon completion of INCODER's Plan de Choque for Land Restitution and Formalization in June 2011, the group of experts provided by the Public Policy Program which supported the Minister of Agriculture in the coordination and monitoring of the plan was strengthened and refocused to advise the Minister on the following topics:
- Regulation of the Victims Law:
- Design of security policies and actions to protect threatened or at risk victims that reclaim their land,
- Evaluation of cases of massive land purchases by Livestock Funds (Fondos Ganaderos)
- Evaluation and management of emblematic land restitution cases
- Analysis of points of tension between the Victims Law and the Justice and Peace Law in relation to land restitution
- Circulation of the Victims Law among judges and prosecutors
- Analysis of complaints filed with the Constitutional Court against the Victims' Law.

Land and Rural Development Accomplishments

With support from the Program, the Minister of Agriculture has made progress in publicizing the draft Land and Rural Development Law for public debate and the GOC begun the *Consulta Previa* process with ethnic communities. A group of Program experts supported MARD in drafting the Land and Rural Development Law and during a seminar the draft was presented to business associations, farmers, and experts.

Institutional Reform of the Agriculture and Rural Development Sector Accomplishments

MARD is undergoing an institutional reorganization of the Ministry and all the agencies of the Agriculture and Rural Development Sector. Land experts facilitated by the Public Policy Program are advising the reform of the Ministry of Agriculture to strengthen its capacity to formulate policies while INCODER is being strengthened to promote rural livelihoods.

Program Monitoring of Land Policy Activities

As requested by USAID, the program has developed the following reports and guidelines for Land Policy activities:

- 10 weekly reports, which contain updates on the component's activities, main events and news
- GOC strategy document for the agrarian sector
- FAQ updated
- Briefer related to victims' organizations and their role in the Victims' Law implementation
- Restitution Guidelines
- Formalization Guidelines
- Rural Development Guidelines

RESULTS AND ACTIVITIES UNDERTAKEN IN QUARTER 4

1.1: Land Restitution Policies developed and implemented; GOC capacity to administer a land restitution program strengthened.

Experts from the Program drafted a decree for implementing the Victims' Law with ethnic communities. This draft was delivered to GOC, although it was later modified in agreement with the communities before the regional consultation process began. As defined by the Constitution, the decree will be presented directly by the Government during the consultation process with ethnic communities.

As mentioned in the major accomplishments section, the strategic plan and the technical study for the Special Administrative Unit for Land Restitution have started; the Program has supported the GOC in organizing workshops and meetings to define the institutional structure and establish procedure manuals before December 10, 2011 as mandated in the Victims' Law. The GOC has decided to convert the existing Land and Patrimony Protection Project (PPTP) into the new Special Administrative Unit for Land Restitution due to its human resources, technical capacity and social consciousness. However, as the project was not a public institution and has been operating with international cooperation resources, the GOC will require technical assistance to ensure coordination between the newly-created Restitution Unit and the Victims' Unit, INCODER, and other GOC entities.

Performance Standards Achieved:

- One Draft Decree on Victims' Law implementation for ethnic communities was submitted to the GOC
- A workshop on lessons learned by INCODER in restoring property rights on land subject to agrarian reform (Bogotá, July 25-27, 2011)
- An analytical paper on lessons learned in administrative restitution of seized land and proposals for reform (based on this document)
- A strategic document on the role of victims' associations and NGOs in the implementation of the Victims' Law

1.5: Improved land access and use

A group of experts was formed to review the draft of the Rural Development Law. During the first meeting the experts developed a work plan to strengthen the bill. The Minister of Agriculture requested the inclusion of a chapter on social security for agriculture producers and strengthening the irrigation chapter of the law. The experts praised the comprehensive way in which the bill addressed land use planning, targeting GOC investments in rural public goods such as roads, water irrigation systems, producer technical assistance, and the relevance of the regional policy approach through Rural Development Areas.

A new National Land and Water Council (CONAT) will formulate a national policy on land use, especially for macro applications that deal with four different sectors: environmental protection, agricultural development, mining, and the provision of land to ethnic communities. CONAT will serve as the highest political authority for macro land use planning and will be chaired by the President. The technical secretariat will be housed in and staffed by the National Planning Department (DNP). The creation of CONAT will be one of the main innovations of the new land and rural development policy – it will manage conflicts between environmental and economic land uses and correct the current bias that favors mining to the detriment of land use for agriculture and the environment. If approved this year, CONAT will be operational in early 2012.

A new National Land and Water Agency (UNATA) will be responsible for planning land and water use for agriculture, facilitating optimum utilization of natural resources, and increasing competitiveness in agricultural production in domestic and foreign markets.

Strategic guidelines for the creation of National Land and Water Agency (UNATA) and National Land and Water Council (CONAT), which represent key tools for regulation and implementation of the new rural development policy, were delivered to the High Commissioner for Good Governance.

1.6 Lands of Internally Displaced Persons Protected

During the strategic planning of the **Special Administrative Unit for Land Restitution**, workshops were and will continue to be held in order to assist the Unit in drawing from lessons learned, improving procedures, and strengthening institutional reforms.

Performance Standards Achieved:

- One workshop on lessons learned for institutional reform related to land rights.

1.7 GOC's Rural development policy adjusted, according to updated regulatory framework and improving management of key government services.

The Public Policy Program, through the Hernán Echeverría Olózaga Instituto de Ciencia Política (ICP) and in coordination with The Colombian Agriculture Society (SAC), hosted a two-day seminar and workshop on Land and Rural Development with the participation of The Minister of Agriculture and the Vice Minister of Rural Development. The seminar was designed to encourage broad participation from the audience, which was composed of former Ministers of Agriculture, members of Congress, USAID representatives, private sector and business leaders, producer associations, NGO leaders, media, and high level officials from different GOC agencies. The Program facilitated the participation of well-known international experts to present on lessons learned from other countries. During the seminar, the GOC presented the guidelines of the new Santos administration's rural development and land policy. At the closing ceremonies, the MARD announced its intention to define workgroups in order to strengthen the bill.

Restructuring of the Ministry of Agriculture and Rural Development

The program is providing technical assistance to the Secretary General of the Minister of Agriculture in defining the institutional structure for the entire sector. The Ministry of Agriculture and Rural Development will be responsible – through the formulation, monitoring and evaluation of sector policies – for promoting the development and commercial production of agriculture, forestry and fisheries, including basic agro-industrial processes with a focus on rural areas of Colombia. The policy approach should not only promote the protection of national production, but it is equally important and necessary to promote exports and their diversification. The MARD will be divided functionally into two deputy ministers who will focus on activities associated with each of these two main missions: Agricultural Development and Regional Rural Development.

- The Deputy Minister of Agriculture will be responsible for the design of public policies associated with the development of agriculture and agribusiness units that promote the management of markets, information and ICTs, rural public goods, research, technology and innovation, financing and risk, and agricultural and agribusiness chains.
- The Deputy Minister of Rural Development will be responsible for promoting rural development regionally, which involves not only promoting the development of agricultural activities but also other service and production activities such as infrastructure, social services, tourism and environmental services.

Reform of INCODER

The Program is carrying out a technical study of INCODER, which will result in two decrees: one outlines the institutions' structure and one outlining its staffing plans to respond to its expected role. The Colombian Institute for Rural Development (INCODER) will be restructured to assume responsibilities as the executing agency and coordinator of rural development and will have the capacity for regional planning for the Rural Development Areas. The reformed entity will be required to implement at the regional level and should have the ability to do regional planning. It must lead production systems based on land uses and markets and should have interagency coordination capability beyond direct intervention

with entities that provide public goods (roads and communications infrastructure) and public services (health, education and social security).

Performance Standards Achieved

- One International Rural Development seminar
- One Rural Development workshop
- The strategic plan and technical studies for restructuring INCODER are expected to be completed in Q5

1.8 Land Policy Support Monitoring

During Q4, the Land Component produced 10 weekly intelligence reports to inform USAID about program and GOC advances in the areas of restitution, land formalization, rural development and sustainable livelihoods, financial reform and security; one updated FAQ document containing frequently asked questions and answers related to agrarian sector policy; and one briefer related to victims' organizations and their role in the Victims' Law implementation. Additionally, the component produced three sets of guidelines on restitution, formalization and rural development to share with USAID and their operators in the field which will allow USAID's field-based programs to directly support rural populations (including victims and ethnic minorities) in land restitution, formalization of property rights and promoting rural development through the creation of sustainable livelihoods.

- 10 weekly reports, which contain updates on the component's activities, main events and news
- GOC strategy document for the agrarian sector
- FAQ updated
- Briefer related to victims' organizations and their role in the Victims' Law implementation
- Restitution Guidelines
- Formalization Guidelines
- Rural Development Guidelines

FIFTH QUARTER PRIORITIES

The Decrees that create the Special Administrative Unit for Land Restitution will be delivered during Q5. In order to accomplish the deadline defined in the Victims' Law for the creation of the Unit, the decrees that create the structure and the staffing needs must be presented to the Senior Presidential Commissioner for Good Governance and Administrative Efficiency. Meetings and workshops will be carried out in order to review these decrees and ultimately present the final versions.

During Q5, the Program will develop training manuals to be used in capacity building workshops with judges. Additionally, the Program will support a team of experts who will review land restitution processes outlined in the Victims' Law and coordinate these with restitution processes developed under the Justice and Peace Law. This team of experts will aid the GOC in the development of manuals and guidelines for the adequate coexistence of the two legal processes once implementation of the Victims' Law is underway.

The Program is supporting the GOC in refining the draft Land and Rural Development Law. During Q5, the team of experts working on the bill will deliver their recommendations and suggested articles on three major topics: a) Land access and agrarian procedures, b) Access to public goods by the rural sector and, c) Rural development definition and approach. Similarly, activities related to the Geographical Information System (GIS) have begun expecting to achieve all anticipated results during Q5.

One institutional reform and two decrees resulting from the technical study and strategic plan for the Special Administrative Unit for Land Restitution and a manual on restoration of rights to beneficiaries of agrarian reform will be developed during Q5.

COMPONENT 2: ACCESS TO FINANCE

During the Fourth Quarter, the Public Policy Program supported the GOC in implementing key pending reforms to improve access to finance by providing assistance and background for discussions on policy orientation, facilitating technical assistance for the implementation of a mobile banking Pilot program, disseminating information on international experiences and best practices, transmitting international experiences, and disseminating lessons learned from other countries. Similarly, during this the reporting period, the Program continued gaining the confidence of the GOC through high-quality technical assistance. Government entities consider the Program a strategic partner to implement priority activities. One of the priorities of the Ministry of Finance (MoF) this year is to present an E-Money and Financial Inclusion draft law to Congress. The Program proposed the establishment of an interagency group to develop this law, and offered to coordinate the meetings and guide the discussions. As a result, the group, integrated by high-level GOC officials from the Ministry of Finance, the Financial Superintendence, the Central Bank and the Ministry of TICS have met periodically over the last 6 weeks and have made important advances in the development of the law. The Program has been working with the Ministry of Agriculture to demonstrate the importance of modifying the agriculture finance system and expanding access to financial services in rural areas to achieve rural development in Colombia. The Program is advising the MARD on the development of a proposal to modify the agriculture finance system and will work with the Rural Development Area of the MARD and Banca de Oportunidades in the development of policy instrument to promote the expansion of financial products in the rural sector.

It is important to note some challenges that the program will confront as implementation continues. The main challenge so far has been the discussion of the reform to the Code of Civil Procedure in Congress, and the enforcement of guarantees, which was presented by the Ministry of Justice (MIJ) last March. There are important key aspects to expediting the process, which have not been included in the draft law, due to the different positions on the law within the GOC. The Ministry of Commerce and the Superintendence Society are aware of the importance of including additional points in the law. However, the Vice-Minister of Justice, the Magistrates and the Congress do not feel that it is necessary. The Program supported the organization of a table of experts to discuss the different positions. Though they all agreed on the importance of expediting the enforcement of guarantees, it is not clear that the draft law will include the required procedures. The impact of the reform on the access to credit, especially for SMEs is not widely known within the GOC.

The Program has been in discussions with Bavaria regarding the possibility of implementing a mobile banking pilot with their network of small shop owners. This activity is in conjunction with the technical assistance provided to the MoF, and the expansion of mobile banking. The implementation of pilot programs that gather information on the informal sector and the design of strategies to formalize banking in the medium term is a priority for the MoF. While Bavaria has expressed interest, it may be difficult to develop the pilot program with this company.

Recent restructuring and the changing of the Commercial Vice President of the Banco Agrario has impacted our ability to work with the bank on issues of microfinance. The Bank has modified some of its loan policies and procedures, which has also impacted the microfinance activities. As a result it has been difficult to coordinate the expansion of microfinance products to consolidation areas.

SUMMARY OF MAJOR ACCOMPLISHMENTS

- The Program supported the design and implementation of a Mobile Banking Pilot and as a result, more than 4,000 female head of households in Accion Social's Familias en Acción program received subsidies through their mobile phones for the first time. Acción Social paid a total of US\$240,000 in subsidies, an average of \$60 for each beneficiary, in eight municipalities during August. The pilot was implemented with two banks, AV Villas, which offered savings accounts, and Davivienda, which offered an E-Wallet "Daviplata." The subsidy was paid through the AV Villas product in Barrancabermeja (Santander), Cartagena, Medellin and Floridablanca (Santander) to 1,330 female head of households, while 2,815 participants received their subsidy through Daviplata in Cali, Riohacha (Guajira), Apartadó (Antioquia), Barrancabermeja, Chaparral (Tolima) and Cartagena. This pilot will provide information to the GOC and financial institutions to design strategies to use mobile banking as an instrument to reach unbanked population in rural and remote areas.
- The Program advised the Banca de Oportunidades on the design of this instrument, and promoted the disbursement of new loans to populations affected by the floods. As a result, Banca de Oportunidades approved a guarantee of US \$1.6M to support \$US 8M in new loans for population affected by the floods. This is a major breakthrough; these kinds of guarantees will not only benefit the population targeted, but will also be useful in redesigning public guarantees and making them a better policy instrument to promote access to credit. The guarantee is assumed by the financial institution; the debtor is not aware that the loan is guaranteed, thus avoiding the high default rates associated with loan recipients (knowing that the loans are guaranteed will increase default.)
- The Program supported the development of new regulations to expand access to financial services, protect consumer rights, and promote debt relief and financial inclusion for victims as follows:
- *A regulation to promote financial inclusion:* The Program advised the Financial Superintendence on the development of a regulation to expand the operations that can be made through non-bank branches (CNBs) to include foreign currency and stock transactions. This new regulation¹ will allow the payment of national and international remittances through this channel, as well as to make low-value stock transactions. As a result, there will be lower transaction costs which will mainly benefit low income populations and micro-entrepreneurs.
- *A regulation to promote the protection of consumer rights:* The Program advised the Financial Superintendence on the issuance of rules to strengthen and defend the rights of financial customers and preventing abuse by financial institutions and the definition of conflict resolution mechanisms by developing regulations to ensure transparency of the information provided to consumers by financial institutions. As a result, the Financial Superintendence issued an amendment to the Basic Legal Circular in September 6, 2011², which states that financial institutions should publish clear information related to costs, rates, terms and conditions as well as a description of each of the products offered. Additionally, financial institutions should publish the information in a unified source facilitating the access to information by financial customers.
- *Regulation to promote debt relief and financial inclusion for victims:* The Program supported the MIJ in the development of the Policy Guidelines and Victims' Law. The Victims' Law outlined methods for debt relief and access to new loans to help the victims restart their productive activities. The Program proposed policy guidelines to encourage the GOC entities involved in the

¹ Circular Externa 026, Superintendencia Financiera de Colombia: "Reglas relativas a los servicios prestados por los establecimientos de crédito, las sociedades comisionistas de bolsa y las sociedades de intermediación cambiaria y de servicios financieros especiales a través de corresponsales", Junio 30 de 2011.

² Numeral 9 Título 1 Capítulo 6 CIRCULAR EXTERNA Superintendencia Financiera de Colombia: Por medio de la cual "se imparten instrucciones generales respecto de la información que deben suministrar las entidades vigiladas a los consumidores financieros", Septiembre 6 de 2011.

financial inclusion policy, to design and implement incentives and policy instruments to promote the development of financial products specially designed to meet the needs of the victims. The Program also reviewed and proposed articles for the chapter on debt and loans that was included in the draft of the Victims' Law decree³.

- Two Workshops were held to discuss the draft bill that will modify the Code of Civil Procedure and design the draft E-Money law:
- Secured transactions regime: Held on August 9th in alliance with the ICP, to discuss the modification to the Code of Civil Procedure, and the enforcement of guarantees which is being discussed in Congress. Currently, the mechanisms to enforce collection are costly and take several years. As a result, SMEs have limited access to credit and Colombia has a poor rating in this area of the *Doing Business* report prepared by the World Bank. The objective was to capture the attention of the stakeholders on the importance of including mechanisms for the effective enforcement of rights in the draft law. The workshop was attended by the Congressmen who are analyzing the draft law in Congress, the Vice-Ministers of MITT and Justice, the President of the Court of Bogotá, the Vice President of “Asobancaria,” a former Judge and an expert on procedural law who advised the GOC on reforming the secured transactions regime. The Congressmen and the Vice Minister of Justice expressed their willingness to continue discussing aspects that need to be included in the draft law.
- E-Money and Financial Inclusion: On September 19, USAID in alliance with CGAP, held a workshop where international experts presented best practices from the Philippines, Kenya and Peru. The objective was to discuss regulation issues and gather information on how these countries have handled the regulation of E-Money and Financial Inclusion. The workshop was attended by 20 high-ranking GOC officials from the Ministry of Finance, Central Bank, Financial Superintendence and Ministry of TIC, which have met regularly to develop the draft law to be present to the Congress in October.
- During Q4, four workshops and one seminar were supported to promote the implementation of agricultural insurance for natural disasters in Colombia. The Program invited high-level officials from the Secretary of Agriculture of Mexico, a country that has some of the best experience in implementing agricultural insurance for natural disasters, to share their experience. Similarly, a presentation to the Minister of Agriculture and the President of Banco Agrario on agricultural insurance as follows:
- Seminar: “The Experience of Mexico in the implementation of agricultural insurance for natural disasters: Lessons learned and recommendations for Colombia.” The seminar was held during the “Agroexpo” fair, and was attended by more than 100 people from local governments, insurance companies, the GOC and agricultural associations.
- Four Workshops: In close cooperation with the insurance sector (insurers, reinsurers and brokers), financial regulators (Financial Superintendence and Ministry of Finance), GOC agriculture sector (MARD, Finagro, Banco Agrario and DNP) and opinion makers in alliance with ICP and Portafolio Magazine.
- Presentation to the Minister of Agriculture and the President of Banco Agrario with the assistance of the Ambassador from Mexico.

³ Borrador proyecto decreto reglamentario ley 1448 de 2011 “*Por el cual se adopta el plan nacional de atención y reparación integral a las víctimas del conflicto armado*”, Primera versión, Septiembre 24 de 2011 y Propuesta borrador “*Plan nacional de atención y reparación integral a las víctimas del conflicto armado, Bases del Plan*”, Primera versión, 24 de Septiembre de 2011.

RESULTS AND ACTIVITIES UNDERTAKEN IN Q4:

2.1: Guarantee Requirements and Collateral Regime Reformed.

The main Program activity during Q4 was the organization of the group of experts, to discuss the reform of the Civil Code of Procedure, and the enforcement of guarantees. The Program coordinated the participation of three high level GOC officials, members of the expert commission from the MTIT, Financial Superintendence and Societies Superintendence to attend the “Secured Transaction Visitor Program” sponsored by the US Department of State. The objective of this visitor program is to educate the participants on the components and economic importance of effective secured transaction systems; and to encourage them to advocate for secured transactions reform with their national governments and private sector stakeholders.

In Colombia, there are strict limitations on property that can be used as collateral. There is no registry system with information on the status of collateral and the mechanisms to enforce collection are costly and take several years. As a result, SMEs have limited access to credit, and Colombia has a poor rating in this area of the World Bank’s *Doing Business* report. International experience has shown that secured or asset-based financing:

- Enables private capital to be used for new businesses loans and to expand existing businesses
- Increases credit security, reduces credit risk, and consequently decreasing disincentives for lenders to issue more loans with better terms.
- Provides lenders with an alternative to recover the loan if the borrower fails to perform.

The objective of the reform is to facilitate access to credit for SMEs, small producers and micro entrepreneurs, through the establishment of a modern secured financing regime. The reform has three components:

- Expand the list of items that can be used as collateral to include: inventory, equipment, crops, intellectual property and consumer goods.
- Create a Registry: to register claims against movable property so they are publicly recorded and easily accessed.
- Expedite the process of enforcement of guarantees: provide mechanisms for effective enforcement of rights.

The GOC formed a commission of experts (high-level GOC officials and academics) that has been working in the development of a draft Secured Financing Regime Law to be presented to Congress in October. The Program has supported the GOC by:

- Presenting proposed mechanisms for effective enforcement of secured transactions
- Providing recommendations for the design of a modern secured finance regime
- Advocating in favor of the reform

Consumer protection and improved outreach on borrower rights

During Q4, the Program provided technical assistance in the development of the regulation to strengthen consumer protection. The main achievement was the expedition of the regulation on the information which the financial entities should provide to financial consumers on costs and fees, and improving information transparency. One of the GOC priorities is to protect financial consumers and improve borrower rights. The strategy is to implement policies and regulations to provide consumers with sufficient and comprehensive financial information on their rights and duties and the financial products or services provided. The aim is to enable the consumer to compare the different options available in the

market and have sufficient information to make informed decisions. The Financial Superintendence is responsible for the implementation of this strategy, and its action plan includes:

- Strengthening monitoring of information that financial institutions provide to financial consumers in relation to costs, characteristics and the nature of the products offered.
- Establishing processes to assess the level of transparency of financial institutions.
- Implementation of a system for monitoring the evolution of finance fees.
- Regulating the rights of financial consumers against unfair contract terms and abusive practices of the entities being monitored.
- Developing a methodology to include financial consumer protection within the supervision procedures.
- Participation in promotional and financial education programs.
- Performance Standards Achieved.
- One Decree/Regulation developed to promote the protection of consumer rights.

2.2: Reform of Interest Rate Caps.

The GOC has capped the annual interest rate that financial institutions can charge for microcredit and consumption credit. However, financial institutions typically have wafer-thin margins because of the high costs of making and collecting payments for very small loans. Therefore, interest rate caps jeopardize the banks' ability to expand their networks to areas far from urban centers and to disburse loans to the population at the bottom of the pyramid given the high costs associated with the micro loans. The caps also hamper the banks' ability to harness economies of scale in order to lower transaction costs. Capping rates also deters new entrants and reduces competition, while at the same time restricting people's access to microcredit, which drives more poor people into the arms of loan sharks. For these reasons one of the priorities of the MoF is to review the methodology used to calculate interest rate caps, and to expand access to credit, with special emphasis in rural areas. The Program is supporting the GOC by:

- Developing a study on the effect of interest rates caps in Colombia, which is being carried out by major subcontractor Fedesarrollo.
- Providing recommendations on the regulatory developments required to modify the interest rate caps.
- Organizing workshops to generate advocacy in favor of the reforms.

The study began in September and the subcontractor Fedesarrollo presented their work plan for review. We anticipate that the study will be completed in December.

2.3: Taxes and Cost of Financial Services in Rural Areas Reduced.

In 2006, the coverage of financial services reached only 71% of Colombian municipalities. For this reason, a priority of the previous government was to expand the coverage of financial services through innovative and low cost channels. The USAID MIDAS Program supported this initiative, providing technical assistance to the MOF and Financial Superintendence in the implementation of the regulation and to Banca de las Oportunidades in the implementation of the policy instruments. The greatest achievement was the approval and promotion of Banking Agents (CNBs) and mobile banking as channels to expand coverage. Thanks to the implementation of CNBs, in 2010, financial coverage increased to 99% of the municipalities in Colombia. Some banks implemented the CNBs to decongest their branches and expand coverage to nearby areas; other banks, mainly Banco Agrario, expanded their coverage to remote and less populated municipalities. With the incentives provided by Banca de las Oportunidades, the banks opened 184 CNB in the municipalities.

Despite these advances, the CNB and mobile banking channels are still in a nascent stage compared to what has been achieved in other countries like Brazil and Kenya. For this reason, the Public Policy Program is advising the GOC on the development and expansion of these distribution channels in order to support financial inclusion and formalization. The major areas of technical assistance include:

- Development and implementation of regulation and policy instruments.
- Design and implementation of mobile banking pilots.
- Development of efficient cash management and transaction clearing mechanisms.
- Development and implementation of regulation and policy instruments: The main regulation being developed is the draft E-money law. The objective of this law is to promote financial inclusion through the regulation of financial transactions using new distribution channels, such as E-wallets, prepaid cards and mobile banking. This law would facilitate the inclusion in the financial system for new customers, such as informal entrepreneurs and low-income populations. The law will also facilitate the supply of financial products in rural areas, the payment of conditional cash transfers, such as subsidies, and the implementation of the GOC formalization strategy. The Program is guiding the discussions with the GOC to develop the law, which will be presented by the MOF to Congress in October.
- Design and implementation of mobile banking pilots: The payment of conditional cash transfers (CCTs) through the financial system creates financial literacy and provides the beneficiary population with the possibility of accessing other financial services such as savings, credit and insurance, which contribute to their overall livelihood. For this reason, the Public Policy Program is working with Acción Social and Banca de las Oportunidades to implement a mobile banking pilot, in which subsidy are paid to female head of households in the Familias en Acción program, subsidies are received through their mobile phones. The objectives of the pilot are to:
 - Test whether mobile banking can be effectively used to pay subsidies.
 - Evaluate the products developed for low-income populations: electronic savings account and E-Wallet.
 - Identify the advantages and disadvantages of the mobile channel as an alternative for financial inclusion.
 - Assess the acceptance and use by beneficiaries.
 - Support the policy and regulatory discussions on financial inclusion and formalization priorities of the GOC.

During Q4, the main activity was evaluating the success of the first mobile banking disbursement of subsidies made to 3,567 female heads of households in the Familias en Acción Program during August. Davivienda and Av Villas banks issued payments using mobile phone technology for the first time in seven municipalities. The program was expanded to seven additional municipalities with two additional financial institutions: Banco Popular and Banco Agrario. The second payment of subsidies through mobile phones will be made in November.

Development of efficient cash management and transaction clearing mechanisms is one of the biggest obstacles to the expansion of CNBs, mainly in rural and remote areas. When CNBs receive cash in excess of their normal business operations, there is increased risk of theft within the business or when it is transported to the nearest bank branch. Additionally, the cost of handling cash is very high. This situation has prevented financial institutions from continuing the expansion of this channel.

The Public Policy Program is working with the MOF to highlight the importance of developing efficient ways to handle cash, reducing costs and risk. The Program agreed with the MOF to conduct a field study in different municipalities to identify how the CNB is handling the cash in its daily operations and the risks they are facing, in order to find solutions. Additionally, the Program contacted the Central Bank of

Brazil, whose effective management scheme has allowed the expansion of CNB channels to gather lessons learned. The team is exploring the possibility of conducting a seminar with CGAP and the GOC to present successful international experiences and possible implementation mechanisms for Colombia.

Performance Standards Achieved

- One Decree/Regulation developed to promote financial inclusion
- One workshop on E-Money and Financial Inclusion

2.4: Small Savings Collection Encouraged.

The USAID MIDAS Program supported Banca de las Oportunidades and Acción Social in designing the subsidy payment program for Familias en Acción that utilized savings accounts. Since 2009, Acción Social has been paying the subsidies of the majority of beneficiaries through savings accounts opened in Banco Agrario. However, having a savings account does not necessarily mean that the beneficiary is actively saving. For this reason, Banca de las Oportunidades and Familias en Acción, are implementing a pilot to encourage savings among Acción Social subsidy recipients. The pilot is being developed in 12 municipalities with 40,000 Familias en Acción beneficiaries. It includes financial education in three municipalities (Timaná, El Zulia and Ayapel), a monetary incentive to those female head of households who attain the highest savings rates in the municipalities of Yacuanquer, Samaná and San Andrés de Sotavento, and both education and monetary incentives in Necoclí, Gigante – Huila and Puerto López. The pilot includes three control municipalities in which there is no intervention (Ciénaga de Oro, Consacá, Tibú) to compare savings rates.

During Q4, the Program advised the BDO and Accion Social in the development of the impact evaluation, which will determine the most adequate intervention (financial education, monetary incentive or both) to expand the pilot program. Currently, statistics on the amount saved are being analyzed by municipality.

2.5: Long-term financing options developed for agricultural production.

During the seminar on Rural Development held in July, the Program was able to draw the attention of the MARD on the importance of modifying the agriculture finance system to promote rural development. As a result, the MARD requested support in the development of an evaluation and proposed modifications to the system. During Q4, the scope of the evaluation and proposals were defined and agreed to by the MARD. This assessment will begin in Q5.

Performance Standards Achieved

- One seminar: “The Experience of Mexico in the implementation of agricultural insurance for natural disasters: Lessons learned and recommendations for Colombia”
- Four workshops with insurers, reinsurers and brokers, Financial Regulators (Financial Superintendence and Ministry of Finance), GOC (MARD, Finagro, Banco Agrario and DNP).

2.6: Banco Agrario modernized.

Banco Agrario is critical to the financing of rural development and the successful implementation of agricultural policy. It is key to expanding access to financial services through suitable products for rural, informal and low-income populations. However, its current legal and operational environment create bottlenecks and weaknesses that need to be resolved in order to make the Bank more efficient and to have a greater impact in the rural sector.

Currently, the Bank is revising its long-term strategy and its organizational structure, which requires a general strategy that allows the bank to improve its governance, financial sustainability, and ensure improved banking services in rural areas. As a result, the Program will provide technical assistance to the Bank to develop a strategy and an action plan to improve the Bank's governance, and transforming the Bank into a competitive institution with greater impact on agriculture financing and rural development.

During Q4, the program invited three firms to present proposals to conduct the assessment. The assessment is expected to begin in Q5.

2.7: Increased supply of credit, insurance, payments and transfers to vulnerable populations.

During Q4, the Program provided technical assistance in the development of:

- Expanded savings and loan groups pilot projects
- Graduation of the savings and loan groups into the financial system
- Development of a micro-savings pilot
- Design of regulations to facilitate debt relief and access to new loans for victims
- Financial instruments to alleviate the impact of the flood on affected populations

The GOC has prioritized the expansion of financial services to populations in extreme poverty (Red Unidos) and vulnerable populations (mainly victims, Afro-Colombians and indigenous groups). In support of the GOC, the USAID Public Policy Program is providing technical assistance to the Banca de las Oportunidades, Acción Social and the High Commissioner for Prosperity in the development of policy instruments and incentives to promote the implementation of financial products specially designed to meet the needs of these populations.

Expansion of the Savings and Loan Groups pilot: The Program is advising Banca de las Oportunidades and the High Commissioner for Prosperity on the development of financial products aimed at promoting a culture of savings and credit among Afro-Colombian and Indigenous population. One of the proven methodologies for developing this culture is the creation of Savings and Loan Groups (SLG). The main benefits of this financial product are the creation of a savings culture, financial education, the possibility to accumulate assets and the development of "Social Fabric." The average savings amount is US \$2 per week. A small pilot program benefiting 600 people was carried out in 2009-2010 by the BDO. Samuel Azout, the Presidential Advisor for Prosperity has asked to expand this pilot to 50,000 people. As a result, during Q4, the Program assisted BDO in the design of a policy instrument to expand implementation of the pilot program. The policy instrument is an incentive to train operators with the potential to implement this product in Colombia, through an international technical assistance provider, which transfers the methodology to these new operators. BDO would contract the technical assistance provider; the assistance should last 18 months. The strategy was approved by Mr. Azout in August, and the request for bids for the assistance will be published during Q5.

Graduation of the savings and loan groups to the financial system: During the pilot mentioned above, some of the savings and loan groups, mainly from rural areas of Chocó, saved more than US \$1,000, which required transferring those savings to a financial entity to reduce the risk of having them kept in a box managed by the groups. This process is called "graduation" of the groups to the financial system. The Program is advising the BDO on the design of the graduation program which requires a modification of the methodology, to link banks with appropriate products and withdrawal and deposit capabilities that meet the needs of the groups.

Development of a micro-savings pilot: As a result of the micro-savings workshop carried out in Q4, 10 financial institutions showed interest in receiving technical assistance on micro-savings: Av Villas, Banco

Agrario , Bancamia, Banco Colpatria, Banco de Bogota, Banco WWB, Bancolombia, Finamerica, Giros y Finanzas y Banco Popular. During Q4, the Program advised BDO in the development of the incentive to provide this assistance.

Regulation to facilitate debt relief and access to new loans for victims: During Q4, the Program proposed policy guidelines and articles which were included in the draft decree presented in September 24 by the MIJ.

Financial instruments to alleviate the financial impact of the floods: During Q4, the Program advised the BDO on the design of an instrument to promote the disbursement of new loans to the population affected by the floods. The instrument consists of a guarantee of US \$1.5M to support new loans worth about US \$7M. The innovation is that the financial institution assumes the guarantee, but the debtor will not know the loan is guaranteed, avoiding higher default rates which often occur when the borrower knows the loan is guaranteed. This new type of guarantee will be implemented during Q5.

Performance Standards Achieved

- One Decree/Regulation developed to promote debt relief and financial inclusion for victims
- One Policy Instrument developed to facilitate lending to those affected by the floods

Synergies with other components and USAID Programs: The Access to Finance component supports and facilitates the results of the three pillars of the Policy Program:

Access to land:

- Design instruments and promote access to financial services for farmers.
- Economic stabilization and income opportunities to returnees through policy instruments and incentives for the implementation of micro-agriculture loans, village banking, and self-help groups.
- Promote the expansion of the financial sector through low-cost distribution channels, such as CNBs, mobile banking, and/or electronic wallets.
- Long-term financing options for agricultural production; agricultural insurance; crop securitization schemes and venture capital for the rural sector.
- Stimulate agriculture lending through reforms to the collateral regime and interest rate caps.

Policies toward victims:

- Promote access to financial services for victims and other conflict-affected populations.
- Design and implement policy instruments to increase the supply of credit, insurance, payments and transfers to vulnerable populations.
- Improve access to finance for Afro-Colombians and indigenous population through support to *Banca de las Oportunidades (BdeO)* and provision of financial instruments that meet the needs of these groups.
- Promote savings through support to BdeO in the design and implementation of incentives for new financial products such as savings “self-help” groups.

Decentralization and Improved Public and Economic Management: Promote rural development by implementing innovative distribution channels and improving access to finance.

Counterpart Interfaces: *Banca de las Oportunidades*, Ministry of Finance, Financial Superintendence, Ministry of Agriculture, *Banco Agrario*, *Finagro*, Ministry of Interior and Justice, Societies Superintendent, Ministry of Trade, National Planning Department, and Social High Commission for Social Prosperity.

FIFTH QUARTER PRIORITIES:

2.1: Guarantee Requirements and Collateral Regime Reformed.

Secured transactions regime seminar: The GOC will present the secured transactions regime draft law to Congress in October. To promote advocacy in favor of the law, the program will hold a seminar on the law in November.

2.2: Reform of Interest Rate Caps.

During Q5 Fedesarrollo will complete the study on interest rate caps. The results and recommendations of the study will be ready in December and will be the basis for the decisions to be made by the MOF on the modification of interest rate caps for microcredit and consumption in Colombia.

2.3: Taxes and Cost of Financial Services in Rural Areas Reduced.

Expansion of the mobile banking pilot program: The second tranche of Familias en Acción subsidies will be made in November. The pilot will be expanded to approximately 14 municipalities with two additional financial institutions: Banco Popular and Banco Agrario.

Seminar on new distribution channels: The Program is organizing an international seminar on CNBs to be held in November. We have contacted CGAP, our strategic partner, to assist in organizing the seminar and to ensure the participation of the best international experts.

E-money draft law: the Program will continue advising the MOF on the regulation of E-money. The GOC presented the draft law to Congress in October.

Development of efficient cash management and transaction clearing mechanisms: The Program will begin the field study of cash management in Colombia, as well as continue working with CGAP and learning from the Brazilian model.

2.4: Small Savings Collection Encouraged.

The Program will continue advising the BDO on the expansion of the savings culture pilot, program for female head of households in the *Familias en Acción* program. The program will be implemented primarily in Consolidation Areas and regions with a significant number of returned and restituted IDPs.

2.5: Long-term financing options developed for Agricultural production.

During Q5 the Program will begin the evaluation and propose modifications for the agricultural finance system in Colombia.

2.6: Banco Agrario modernized.

The current legal structure of the Bank creates bottleneck in achieving the Banks' mission of being the key financier in rural areas. The Bank has requested Program support to define a strategy and action plan to modify its legal and operational structure. The action plan will include strengthening the Bank's governability to attract private investors and enable it to sell at least 10% of its shares. During Q5, the Program will start the assessment and action plan.

Additionally, the Program will present alternatives for the strategic expansion of the products targeted to informal and vulnerable populations, including agricultural and rural micro-credit, micro-savings and micro-insurance, to reach rural areas and vulnerable populations.

2.7: Increased supply of credit, insurance, payments and transfers to vulnerable populations.

As part of the technical assistance during Q5, the Program will develop financial inclusion indicators and make recommendations on the supervision of micro-finance activities.

Expansion of the Savings and Loan Group pilot program: During Q5 the Program will advise the BDO on the design, potential operators in Colombia, a workshop with potential operators, and the design of the Request for Proposals.

Graduation of the savings and loan groups to the formal financial system: During Q5, a graduation pilot program will begin that will create formal mechanism to include those participants in the formal banking system. The team will evaluate the methodologies and changes which will be needed to implement the graduation program.

COMPONENT 3: POLICIES TOWARD CONFLICT-AFFECTED POPULATIONS

During Q4, the component had significant achievements. The Program supported the GOC in the design of the new institutional arrangement for victims and social inclusion, and provided important inputs in the design of the regulatory framework for the Victims' Law and the National Plan for the Integral Assistance and Reparation for Victims. The team has also been working on a number of reforms that have significant social and political impact including the law for equal opportunities for Afro-Colombians and the law for the inclusion of people with disabilities.

The law for the inclusion of people with disabilities is an accomplishment that deserves to be highlighted due to the particularities of the process. Design of the law began without the participation of the Program; however, the Program was responsible for the final draft presented to Congress. The initial process for the drafting of the law was led by the Ministry of Interior and Justice without consulting the organizations and representatives of the target beneficiary community. As a result, the draft did not include aspects that were critical to the community. In an effort to address the issue, the Program held a workshop in order to strengthen the draft law, which is the first document prepared in Colombia following the ratification of the *United Nations Convention on the Rights of Persons with Disabilities*.

During the quarter, the GOC made significant progress in the regulatory process of the Victims' Law. The regulations were discussed by eight subcommittees (Institutional, Information System, Measurement of Satisfaction, Collective Reparation, Rehabilitation and Assistance, Administrative Compensation, Prevention, Protection and No Repetition Guarantees, Livelihoods and Income Generation). The Program supported consolidation of the discussion results from each subcommittee. The Program team also supported the development of skills, competences and responsibilities for the three levels of government, to assist in the process of planning and adoption of the Regional Integral Assistance and Victims' Reparation Plans.

The Program supported the design process of the National Plan for Integral Assistance and Reparation for Victims (PNARIV), led by the Direction of Transitional Justice in the Ministry of Justice (MJ) and the Strategic Victims Reconciliation Unit in Accion Social (AS). This process sought to establish operational structure of the National System for Integral Assistance and Reparation for Victims (SNARIV). The Program was involved in discussion of the PNARIV at the regional level with local and regional level GOC and private sector representatives, as well as with the victims themselves.

The Program has been playing an integral role in the design of a new institutional arrangement for victims and social inclusion. The Program is working with the GOC in the design of the new Administrative

Department (AD),⁴ which will be replacing the Presidential Agency for Social Action and International Cooperation (Accion Social). This AD will be responsible for setting policies, general plans, programs and projects for assistance, care and compensation for victims of human rights violations, promotion of social inclusion, assistance to vulnerable groups, and social and economic reintegration.

It is important to note some challenges that the Program will confront as implementation continues. The institutional, political and technical changes mandated in the Victims' Law (Law 1448/2011), require a very quick turnaround for the design of new policies and instruments. The Component will continue to support most of the performance standards associated with laws and policies impacting ethnic minorities. In order to overcome some of the obstacles, the Program has established a working group with all of the stakeholders within the Government to pursue the agenda. GOC officials have joined the group, and are aware of the great challenges the country faces. Initial activities included the design of a methodology to monitor the commitments made by the GOC with the communities in order to follow up the progress.

As mentioned in the previous quarterly report, a key challenge for the Component is accomplishing the results associated with participation, given that this is a very low priority within the Government. In this respect, the Program has devised other ways of putting the topic on the public agenda through its inclusion in the regulation of the Victims' Law and in the design of the National Plan for Integral Assistance and Reparation for Victims. As a result of the challenges faced, the performance standard for this result in the first year of the Program will not be achieved.

The completion of the structuring of the new Administrative Department is an important opportunity for the Program. The team will be completing the definition of roles and responsibilities and taking the lead in the development the drafting of the decrees required to establish and operationalize the new Department. Upcoming work will include technical discussions with stakeholders and the design of funding schemes.

Finally the component will complete the technical analysis of the organizational structure for the Victims' Unit, which will coordinate the activities of the entities included in the SNARIV.

PROGRAM ACTIVITIES:

3.1: Comprehensive policy and institutional frameworks to prevent displacement and provide relief, integral support and reparations to IDPs and Victims

The team of consultants working the fiscal cost analysis of the IDP policies, which included the panorama suggested in the Law 1448/2011, has submitted the final recommendations and report. The Program is also supporting the design of the regulatory framework of the law.

The team has been working on the definition of competencies and responsibilities at the national and local levels for victims' policies. Three workshops were held with experts and public officials with the Ministry of Interior to discuss recommendations proposed by the Program. The team has been working on the design of the National Plan for Integral Assistance and Reparation for victims including the development of and index instrument to measure the risk of victimization.

Additionally, in September, the Program conducted a feedback workshop with NGOs and victims' organizations to review the Victims National Plan.

⁴ Administrative Departments are national administration organisms, located in the same hierarchy of ministries, but are more technical and specialized than these. So they are responsible for directing, coordinating and implementing a public service. Their main objectives are sectorial policies, general plans, programs and projects formulation and adoption.

The Program is supporting the design of the new institutional arrangement for the integral assistance and reparation for victims, including the design of the Center for Historic Memory. The Program held a workshop to discuss the design of the Center, and is financing a consultancy to define the Center's operational and legal structures. Program consultants also designed the decree to establish housing solutions for IDPs.

The Program is working with the GOC in the design of the new Administrative Department (AD) which will be replacing Accion Social. This AD will be responsible for setting policies, general plans, programs and projects for assistance, care and compensation for victims of human rights violations, promotion of social inclusion, and assistance to vulnerable groups and social and economic reintegration. The general structure will be as follows:

- The AD will be structured around a business holding model.
- The management structure will be led by the AD, which will be organized into strategic sectorial units, responsible for coordinating, consolidating information and providing recommendations on planning, managing, monitoring and evaluation. The AD will have a technical unit for crosscutting programs, which will include sustainable livelihoods, conditional transfers, infrastructure and housing.
- The AD, which is also the entity responsible for social inclusion and reconciliation for the GOC, will have two special managing units (poverty and reintegration) which will not have legal status, but will have independent finances and administration. Additionally, the AD will have a special internal Consolidation Unit to lead and provide guidance to implement the National Consolidation Policy. Under this scheme, the AD will remain legally accountable, and the units will be included within the overarching structure. The Units will include:
 - Special Administrative Unit for Overcoming Poverty
 - Special Administrative Unit for Reintegration
 - Internal Consolidation Unit
 - The Victims Reparation Administrative Unit, the Colombian Institute for Family Welfare and the Center for Historical Memory will be included within the Administrative Department sector as attached entities, with legal authority and management responsibilities.
- At the governability and decision-making level, the AD structure will respond to the following governance bodies:
 - A Social Policy Commission headed by the President. This Commission will be the ultimate governing body for social policies.
 - A private and public Board of Directors in charge of approving sectorial and budget plans and reviewing reports.
 - A technical committee tasked with policy enforcement and defining budgets and evaluating models.
 - The AD will have a national structure, a departmental structure and a municipal structure. To implement Consolidation Policy it will have a regional structure to respond to the regional criteria consolidation policy has.

Performance Standard Achieved

- Three workshops to define competencies and responsibilities at the national and local levels for victims' policies.
- Feedback workshop on Victims National Plan with NGOs and victims' organizations.
- Workshop to discuss the design of the Center.

3.2: Strengthen the PWD Policy Framework

The Program partnered with the two leading organizations on the subject in Colombia: *The Program for Social Inclusion at the Universidad de los Andes* and *the Saldarriaga Concha Foundation* to work with the GOC to improve the draft law on the inclusion of people with disabilities. Both institutions are well respected and considered to be the leaders in issues related to people with disabilities, and were ideal partners to achieve the changes needed to make the law more inclusive.

The Program sponsored a workshop that included the participation of representatives from the National Council for Disabilities and GOC officials. It was the first time since the design process began that all the key players were in the same room discussing issues relevant to the community. Before the workshop, the community was reticent about the law and had no intention of letting it pass through the legislative process, however, during the workshop, the contributions of the community were accepted and included in the design of the law. A follow-up meeting between the representatives from the sector and the Vice-Minister was held as a show of positive political will with the community to remedy the fact that they had not been included in the original design process. The draft law was presented to Congress.

Performance Standards Achieved

- Draft of the Inclusion on People with Disabilities law submitted to Congress

Result 3.3: Improved livelihoods and income opportunities for Conflict-Affected population

The Program supported the design of a framework for sustainable income generation in rural areas and a work plan to support the GOC in the design of a pilot program to implement the income generation framework in a specific municipality. The Program will use lessons learned from the pilot program to prepare a series of recommendations for the development of an income generation policy. In addition, a workshop was held to discuss social inclusive business as a model to be promoted in rural areas.

Performance Standards Achieved:

- Workshop on social responsibility and sustainable income opportunities for vulnerable populations. Focus on inclusive rural business for the extreme poor and IDPs.

Result 3.4: Policy framework designed to encourage inclusion and cohesion of ethnic minorities and service delivery improved for Afro-Colombians and Indigenous populations

During the quarter, the team working on the equal opportunity law submitted their final inputs to the MIJ. The Program also worked with the GOC to establish a working group with all relevant stakeholders to develop an agenda and methodology for following up on progress made in meeting the GOC's commitments with the ethnic communities that were established during the development of the National Development Plan.

Performance Standards Achieved

- Draft of the Affirmative Action Law submitted to MIJ

FIFTH QUARTER PRIORITIES

Result 3.1: Comprehensive policy and institutional frameworks to prevent displacement and provide relief, integral support and reparations to IDPs and Victims

During Q5, the Program will support the GOC in the design and implementation of the National Plan for Integral Assistance and Reparation for Victims. Activities will focus on the development and implementation of the regulatory Decree that will be submitted in December.

The team will continue support to the GOC in establishing the Administrative Department of Social Prosperity, the Victims' Unit and the Center for Historical Memory. The team of consultants will complete the design of the roles and responsibilities and governance structure for the Administrative Department as well as the Victims' Unit and draft the Decrees needed for their establishment and implementation.

Result 3.3: Improved livelihoods and income opportunities for Conflict-Affected population

During Q5, the team will design rural sustainable livelihoods framework for Chaparral, Tolima.

Result 3.4: Policy framework designed to encourage inclusion and cohesion of ethnic minorities and service delivery improved for Afro-Colombians and Indigenous populations

The team will participate in the meetings of the Ethnic Coordination Working Group, which is monitoring the GOC's response to the agreements made in the National Development Plan.

Result 3.5: Participation of conflict-affected populations in policy and program design

The Program will hold a series of regional forums on the design of the PNARIV with the participation of victims, victims' organizations, local authorities, academia, civil society organizations and guilds.

COMPONENT 4: SUPPORT FOR DECENTRALIZATION AND IMPROVED PUBLIC AND ECONOMIC MANAGEMENT

During Q4, the Component provided technical assistance to the GOC in developing crucial reforms that will have a considerable impact on regional development. The support heavily focused on working with the GOC to improve coordination mechanisms between the numerous GOC agencies providing services in the regions, to design a comprehensive regional development strategy. Accomplishments during the quarter include:

- Support to the High Commission of National Security in drafting the National Consolidation Policy CONPES document. This policy document will include the conceptual document on the Consolidation Policy that the Program has been supporting. The CONPES includes the framework for State interventions to establish the minimum territorial security conditions, a framework to strengthen institutional control in the regions, mechanisms to foster citizen participation, and promotion of economic integration in regions where there is still the presence of illegal armed groups.
- The team has been supporting the GOC in drafting a law to regulate the National Royalties System. The reform of the system was recently passed in Congress, and the team played a critical role in its conceptual design. Program support focused on the design of the funds that will be created (Fondo de Ciencia, Tecnología e Innovación, Fondo de Desarrollo Regional, Fondo de Compensación Regional Fondo de Ahorro y Estabilización), the operational structure, and the decision-making process for selecting and prioritizing the projects that will be financed with royalties. The projects will be selected following a voting process by a three-member committee comprised of GOC representatives from the national and regional levels and a representative from a university. The proposal also includes a well-defined mechanism to improve transparency and control in the decision-making process.
- Support in regulating the Contratos Plan, a new policy instrument that is a binding contract between National and Sub-National Governments to co-finance and support implementation of long-term, multi-sector regional development strategies. The Contratos Plan is expected to use public resources, such as royalty revenue, to implement and finance priority projects in the

- regions. The Contratos Plan will prioritize projects, which are part of regional development strategies. It will be implemented in Consolidation Zones, Rural Development Areas and other areas where there is a high concentration of victims of the conflict.
- The team provided support in the development of the Private-Public Partnerships regulatory framework. Program experts worked with technical staff from the National Planning Department, the Ministry of Transportation, and the National Institute of Concessions to draft a law on Public-Private Partnerships. The purpose of the law is to regulate mechanisms and incentives that promote the participation of private investment in the design and implementation of large regional projects in sectors such as infrastructure.
 - The Program submitted to the GOC a Constitutional reform to revise articles 125 and 130 of the Constitution, and to add article 150. The purpose of this Constitutional reform is to improve the efficiency of the public sector and ensure that the recruitment of public administration staff is based on merit and professional capability, and eligibility is based on examinations for priority public positions. The reform seeks to ensure equal opportunities for all citizens and to protect the rights of civil service staff. The aim is improve the overall sustainability of long-term GOC investments, policies and programs by ensuring that staff are well trained and have the technical capacity to carry out their mission.

It is important to note some challenges the Program will confront as implementation continues. For instance, implementation of the National Consolidation Policy (NCP) is a high priority for the GOC, but has been hampered by regulatory constraints and the slow pace of implementation at the regional level. The Program is assisting the GOC in revising and improving the effectiveness of the NCP, and removing constraints, including the lack of interagency coordination at the national level; lack of clarity regarding the relationship of consolidation policies with other national policies (e.g., education, health, etc.); weak presence of the national government at the regional level in target zones; the limited capacity of regional organization and leadership; and regulatory constraints to rapid disbursement of funds to support consolidation in target zones. Some regions are moving ahead with their own strategies. They are not aligned with the national policy, which is causing a disconnect between national and regional-level interventions.

The revision of the NCP requires regulations and policy instruments establishing the NCP framework that address the identified constraints. The policy will develop mechanisms and budgeting models to improve inter-agency and inter-governmental coordination and create effective linkages between national and sub-national programs. It will also improve the effectiveness and flexibility of GOC services in consolidation zones. At the national level, the GOC will establish a coordination unit and a “consolidation fund” that allows for rapid and efficient disbursement to support territorial consolidation operations.

PROGRAM ACTIVITIES:

4.1: National level policies that improve regional ability to generate and track revenue

During Q4, the Program provided support to the GOC in drafting the law that regulates the Constitutional reform of the royalties system, approved by Congress in July. The royalties reform aims to improve the equitable distribution of royalties across regions with extractive industries, impacting the poorest regions of Colombia, while expanding the range of services and infrastructure financed with royalties from extractive industries. The team’s support has been crucial in conceptually–structuring the proposed reform. The reform includes four basic principles: establishing a savings system such that part of the income goes directly to a stabilization fund; equitable income distribution; the generation of regional competitiveness and good governance practices. The law includes the following:

- Conceptual framework governing royalties

- Conditions to regulate extractive industries
- Conditions for beneficiary participation and resources distribution (regional entities, funds to be created)
- Managing, control, and monitoring of resources derived from extractive industries

Royalties income will be used to leverage investments for financing macro projects in critical sectors. The MoF and the NPD, supported by the Program, promoted a series of regional workshops to identify projects which could be funded with royalty income. The Program is evaluating GOC's request to receive technical assistance for the design of a methodology for screening regional projects and initiatives identified by municipalities and departments that could be combined and jointly funded and implemented by more than one department, and co-financed with royalty income. The methodology will help with the prioritization of projects in accordance with the National Development Plan, as well as establish a bank of projects, which will be managed by the NPD. Projects were identified and prioritized during the first round in the following regions:

- The Pacific region (Nariño, Cauca, Valle del Cauca and Chocó)
- The Orinoquía-Amazonía region (Vichada, Vaupés, Guaina, Meta, Casanare, Amazonas and Guaviare)
- The Southern region (Huila, Tolima, Caquetá and Putumayo)
- The Central-Eastern region (Arauca, Casanare, Bogotá-Cundinamarca, Boyacá, Norte de Santander, Santander and Meta)
- The Caribbean region (Córdoba, Atlántico, Bolívar, Cesar, Sucre, Magdalena, Guajira, and the islands of San Andrés, Providencia and Santa Catalina)

Projects are prioritized based on the needs of each region, and include infrastructure, education, health, basic sanitation and clean water, regional security, strengthening science, technology and innovation and governance, human capital and institutional strengthening.

Performance Standards Achieved:

- Law that regulates the Constitutional reform of the royalties system, approved by Congress in July.

4.2: Improved Management of Key Government Services in National Consolidation Zones

The National Consolidation Policy (NCP) aims to strengthen the rule of law in Colombia by means of ensuring Colombian citizens fully enjoy their fundamental rights. The GOC seeks to provide safety; social, institutional and economic development, and protection to all Colombian. The main purpose of the NCP is to restore institutional control and to enable regions to integrate with national economic, social and institutional life, in regions traditionally threatened by illegal armed groups. The NCP will set minimum required conditions for development in order to boost regional growth in the lesser-developed and regions with a history of violence. The GOC's goal is to reduce the development disparities between regions.

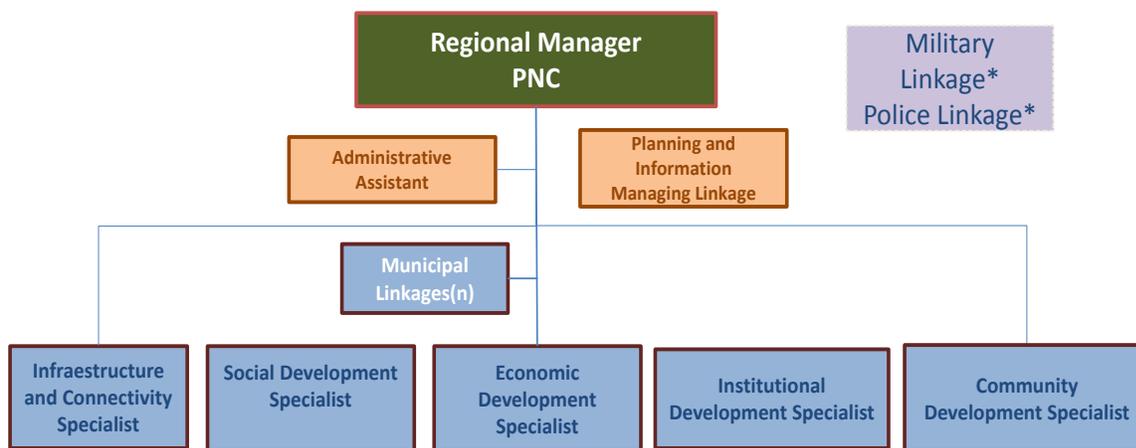
During the reporting quarter, the Public Policy Program team worked on the design of the Consolidation strategy and institutional structure. The strategic revision of the Consolidation Plan establishes a new and unique concept, the foundation of which is security in the regions and the guaranteeing of fundamental citizen rights. The guarantee is based on three basic pillars: i) institutional control; ii) regional participation, and iii) regional integration. The team has been working hand in hand with the High Commission for National Security on a CONPES document, which will articulate the results of the strategic revision, outlining both the background and the conceptual framework of the NCP, with policy recommendations. The CONPES document will include the aforementioned conceptual perspective on the

NCP, sector action plans and budgets agreed upon with national institutions, and will set the scope for the Consolidation policy and determine how it will operate in the designated regions. The CONPES document is expected to be issued by late October.

The next steps include the regionalization of this national-level policy adapting it to the particularities of each of the seven consolidation zones. Regional Consolidation Action Plans will determine how the policy is implemented in each of the regions, and they will define the activities and programs that will be implemented in each region. The Program has been supporting the High Commission for National Security and other GOC units in charge of the National Consolidation Policy to design a methodology for developing the Regional Action Plans in each zone.

In accordance with the *Ley de Víctimas* (Law 1448/11), the *Alta Consejería para la Acción Social y la Cooperación Internacional* will be transformed into a new Administrative Department, the Program has been working with the GOC to define the general functions of that department, which will include informing the general public on the Consolidation policy. It is still not clear if it will be a Unit or a Direction within the new Administrative Department, but the Program team is working with the GOC to define the final structure including the workload allocation and specific functions to be performed by the unit. What has been proposed as the institutional model is a Consolidation department within the new Administrative Department, which will execute resources through a fund. The Department will also be tasked with managing special programs and will have a national bureau managing regions, and coordination between the regions. Regional units will deal with topics such as infrastructure, connectivity, and social, economic, institutional and community development. In each region, the department will have military and police commissions.

The Administrative Department will have a three-tiered structure, coordinating at the national, departmental and municipal levels. At the national level, the focus will be to outline policies and determine what will be implemented at the regional level. A regional structure will be created to provide assistance and services in the regions including infrastructure and connectivity, social, economic, institutional and community development.



* Higher level official of the military and police courts of the priority areas.

Performance Standards Achieved:

- Presentation to Vice-Ministers and High Commissioners on the results of the National Consolidation strategic revision process
- Workshop to Review the Consolidation regional plan with all members of the CCR

4.3: Improved expenditure efficiency and the budgeting regulatory framework

The Program has been supporting the development of a new legal framework that ensures the effective use of GOC financial information and links the budgeting processes throughout the various public entities into the new system.

The Program supported the development a draft law to regulate a budget mechanism in which large public expenditures with significant regional and local impact can be effectively managed over time. The draft law regulates the way in which budgets for large impact projects can be designed, lifting the restriction of annual budgeting.

The Program has been supporting the draft law that defines the functions of the *Consejo Superior de Política Fiscal* (CONFIS). The proposed law will modify and update the structure and role of the CONFIS.

Performance Standards Achieved:

- A draft law regulating organic budgeting procedures is currently under revision by the MoF.
- A draft law on organic budget, accountability and fiscal transparency procedures is currently pending in Congress.
- A draft Decree regulating the structure of the Consejo Superior de Política Fiscal – CONFIS was submitted to the Ministry of Finance.
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- A resolution to adopt the regulation of the Consejo Superior de Política Fiscal – CONFIS was submitted to the Ministry of Finance.

4.4: Stronger local capacity to implement and manage national GOC programs

The Decentralization team has been working with the MoI on draft regulations for the *Ley Orgánica de Ordenamiento Territorial* (LOOT). The team held a meeting with the MoI to define the support that will be provided and determine the make-up of the teams that will provide technical assistance for drafting the regulations for the *Comisión de Ordenamiento Territorial* (COT), the *Regiones Administrativas y de Planificación* (RAP), and the *Contratos Plan*. As a result of this support, a draft decree regulating the COT was submitted to the GOC; President Santos will sign the approved version the first week of October.

Help develop departmental and municipal infrastructure funding strategies

The team has been working on the draft Public-Private Partnerships law. Although it is subject to revision, the first draft is expected to be submitted to Congress in October. The draft law was discussed with the MoF, Ministry of Transport, INCO, and National Planning Department. It clearly outlines the rules for designing and implementing public, private and public-private projects. The Program team's input placed special focus on establishing positive incentives for private participation, including clear rules for foreign investment entering the country and developing a standard methodology for awarding contracts. The team will now focus on meeting with GOC, the private sector and Congress members to inform them and build awareness of the draft law.

The Program helped to establish a Public-Private Partnership volunteer committee with participants from the investment-banking seminar held last quarter. The MoF asked several participants in the investment banking seminar to support the development of a structured framework for regional projects, which could be funded through the Royalties System. The committee provided recommendations on how to ensure the transparency of public funds and how to leverage private capital to develop infrastructure at the regional level. Each participant gave a presentation on how to develop the proposed scheme, and the Program presented lessons learned from Australia. The Australian PPP is used to deliver infrastructure services across a very wide range of economic sectors including basic infrastructure (roads, rail, airports etc) and social infrastructure (schools, hospitals and Prisons).

Support the improved management of key government services: *Contratos Plan*

The *Contrato Plan* is a binding contract between National and Sub-national Governments, as well as associations of departments and municipalities, to co-finance and support implementation of key strategic initiatives in a region (multi-sector regional focus). The purpose is to facilitate linkages between different levels of government, to achieve regional development by promoting coordination for planning, managing and financing of long-term regional development projects.

The Program team is currently working on a CONPES document and a decree, which will regulate the operation of the *Contratos Plan* instrument. During this quarter, the team worked with the National Planning Department and the Ministry of Interior on a first draft of the decree that was submitted to the President's office. This document included all available information, and information produced during informal meetings between the National Planning Department and the MoI in which the contents of the decree were discussed.

Coordination with other USAID programs

The USAID Public Policy Program, along with other USAID operators, (ARD- CELI Central, CHF, OIM) have been meeting regularly to share information and to coordinate efforts for crucial issues such as land and rural development, consolidation and victims.

USAID has starting organizing meetings between the Program and the USAID CELI implementers, with the purpose of explaining the main reforms that the Government is developing, including the royalties reform, *Contratos Plan*, and institutional strengthening of sub-national governments among others. The exchange of information and approaches has been extremely useful for all parties. The main role of the Program in these meetings has been to inform the other operators on key aspects of the reforms and the GOC's regional development strategies and policies. The meetings help ensure that the USAID CELI implementers are knowledgeable about the GOC's regional priorities and challenges and how all interventions should be linked to the *Contratos Plan* and other key GOC initiatives in consolidation zones and Rural Development Areas.

Implementation of National Policies in Montes de Maria region, in coordination with USAID CELI program

The Montes de María *Contrato Plan* was selected as the first *Contrato Plan* to be developed by the GOC with the support of the USAID Public Policy Program and the USAID regional programs. The first step was to define an action plan with the GOC. A roadmap was jointly prepared and work sessions were held to develop the strategy for Montes de María. Work sessions included the participation of the Montes de María Coordinator for Regional Planning (the position is being financed by the Program) who will be working in Montes de Maria with INCODER and other national and regional governmental staff. The following key issues were identified as important points which need further information:

- Identification of regional key actors
- Identification of what is already financed in the roadmap

- Prepare an institutional map
- Identify actors for each technical component
- Define a general methodology for regional development planning aimed at identifying and prioritizing regional needs. Facilitate the provision of tailored and flexible GOC service delivery to respond to special needs in the region.
- Integrate regional consolidation action plans, land restitution and formalization plans, victims attention and reparation plans, rural development (livelihoods/governmental services) plans, among other regional planning instruments.

Performance Standards Achieved:

- Decree regulating the Comisión de Ordenamiento Territorial (COT), submitted to the Ministry of Interior
- Draft Decree regulating the Contratos Plan, submitted to GOC
- Draft of Public – Private Partnerships law, submitted to GOC

Result 4.5: Support GOC Institutional Strengthening for Good Governance

Public Employment

The Program submitted the official draft for the Constitutional reform needed to improve efficiency and transparency in the recruiting processes for national and sub-national officials. This reform aims to ensure the implementation and sustainability of public policies and USAID programs in Colombia. The Constitutional reform entails the alteration of articles 125 and 130 of the Colombian Constitution and adds clause 19 to article 190. The Program outlined the Ideal Public Employment model by assessing the main problems with the Public Employment system in Colombia. The Public Employment Model entails setting basic principles, as well establishing stakeholders and the necessary institutional arrangements. The new model is to be guided by the following basic principles:

- The recruitment must be equal opportunity and transparent
- Recruitment processes are to be public, efficient and low cost
- Accountability
- Officials are to be recruited based on merit and ethical principles

The institutional arrangements will include a public employment policymaking unit. This entity, headed by a high-level advisory board, is to set general plans, assess policies and carry out administrative control. An executive unit will be responsible for training public officials; an autonomous unit will monitor the process. The arrangement will include the separation of duties for regulating and certifying employee skills, the selection of candidates (which will be done by accredited universities who will manage the selection process), and independent policy making and surveillance units.

In order to meet all these requirements, the public employment team has recommended that the GOC strengthen the Departamento Administrativo de la Función Pública - DAFP, and the Escuela Superior de Administración Pública - ESAP, as well as incorporating into the model existing units such as the Organismo Nacional de Acreditación - ONAC and the Instituto Colombiano para la evaluación de la Educación Superior - ICFES.

Support the GOC in strengthening the State Reform policy and strengthen the Civil Service Administrative Sector

On July 12, President Juan Manuel Santos enacted the “Estatuto Anticorrupción” which is a legal instrument to fight corruption. The statute links existing monitoring units with the GOC, and provides

citizens with better instruments to enforce control. The Program is currently supporting the High Commission for Good Governance in designing the general framework policy for transparency and integrity, which will combine existing instruments to reduce vulnerability and corruption in the private and public sectors.

During his speech, President Santos mentioned the recommendations made by the Public Policy Program to strengthen public employment policies and to make public officials' models of efficiency and transparency. President Santos also mentioned the Program recommendations to strengthening public entities.

Performance Standards Achieved

- A Constitutional reform re-designing the legal framework for public employment submitted to GOC.

Result 4.7: National training plans that meet the needs of Municipalities

In coordination with the High Commission for Good Governance, the USAID Public Policy Program is providing support for the design of the methodology for the Mayors and Governors induction seminar.

The Program is working with the *Escuela Superior de Administración Pública* (ESAP), the High Commission for Good Governance, the High Commission for Regions, and the National Planning Department to develop the curriculum for the seminar. Topics include development, efficient public management and the provision of government services. The goal of the seminar is to promote good governance, transparency, and anti-corruption within the administrations of the newly elected Mayors and Governors. During this quarter, the Program provided support to the GOC in the design of guidelines to be used by the Mayors and Governors during the induction seminar. The seminar will be held December 13 – 15.

The Decentralization team also supported the National Planning Department and the High Commission for Good Governance to prepare a CONPES document on the Institutional Strengthening of Sub-National Governments Program. The Program team worked with the National Planning Department to produce a more robust assessment and design for the Program by promoting a closer relationship between national-level entities, directorates within the National Planning Department, and other government agencies. This Program will be launched during the induction seminar for Mayors and Governors in December. The Program will accompany the NPD in the design of pilot projects that will be implemented in priority municipalities (prioritization is based on criteria such as being a Rural Development Area, Consolidation Zone, and having a high number of victims).

KEY ACTIVITIES TO BE DEVELOPED DURING NEXT QUARTER:

During Q5, a number of reforms are set to be approved in Congress, including the *Contratos Plan* decree and CONPES Document. There is a need to inform the stakeholders and decision makers within Congress and the GOC on the contents and importance of these reforms to ensure their approval before the end of the year. The implementation of the *Contrato Plan* will be challenging, considering it is a very innovative and powerful instrument if implemented as it was conceived. The *Contrato Plan* is a binding contract between National and Sub-national Governments to co-finance and support implementation of multiple key strategic initiatives in a region (multi-sector regional focus). The USAID Public Policy Program will play a role in facilitating interagency coordination, budgeting and implementation. The Program will also help to coordinate USAID-financed support to ensure an integrated and strategic

approach to land policy, implementation of the Victims' Law, and consolidation activities through the *Contrato Plan* mechanism.

By the end of the year, the Institutional Strengthening of Sub-National Governments Program will be launched. The Program's team of experts will need to develop the CONPES document outlining the objectives, structure, methodologies, procedures and institutional arrangement for the implementation of the capacity building program. Additionally, assistance will be provided to the NPD to design a financing strategy for implementation of the program, which will include public funds and cooperation resources. The Program has been preparing the methodology and agenda for induction seminar for newly-elected Mayors and Governors to be held in mid-December. As a complement to the induction seminar, the team helped produce a set of manuals and guidelines that will be delivered to the Mayors and Governors as training materials for improving their and their teams' capacities.

During Q5, the draft Royalties law will be socialized within the GOC, Congress and with civil society. This will be an opportunity to receive feedback on the proposed Constitutional reform, and an opportunity to address the political and regional interests and to reach a consensus on the version which will be presented to Congress by the end of the year. Bearing in mind that the National Royalties System will become operational in 2012, the Program will support the GOC in drafting the operational decrees, as well as identifying and prioritizing regional projects and initiatives that will be funded with royalty income.

Ensuring the continuity of the public employment project is crucial for guaranteeing the efficiency and transparency of the public national and sub-national officials recruiting process and the sustainability of public policies. During the first quarter of the second year, the Program will submit a complete Legal Framework for Public Employment (*Ley Marco de Empleo Público*), which will complement the Constitutional reform achieved during the last quarter. This framework Law will complement the Constitutional reform and will provide the GOC with enough flexibility to ensure that salaries, training, performance assessments, among others, are carried out according their respective regulating procedures. Input for this new legal framework, will also be submitted during the next quarter as a Decree.

Result 4.1: National level policies that improve regional ability to generate and track revenue

During Q5, the team will be disseminating and building consensus within the GOC on the draft Royalties Law. The team will be working on drafting the decree to implement the National Royalties System and will make recommendations on methodologies for projects identification and prioritization in the regions.

Result 4.2: Improved Management of Key Government Services in National Consolidation Zones

The CONPES document on the National Consolidation Policy, including the conceptual framework paper, and the commitments and Ministry budgets will be submitted. The team will develop a manual that outlines the methodology to develop the Regional Consolidation Action Plans. The team will also be finalizing the design of the institutional arrangement for the implementation of the National Consolidation Policy.

Result 4.4: Stronger local capacity to implement and manage national GOC programs

The GOC has requested support from the USAID Public Policy Program and the USAID regional programs during the next year to begin implementing the pilot project for the *Contrato Plan* in Montes de María. The Program will provide technical assistance in designing the *Contrato Plan*, and coordinate with the USAID regional program in Montes de María, the Regional Consolidation Center, local governments and organizations in the region in implementing the Plan. The team will also be submitting the decree regulating the *Contratos Plan* mechanism and prepare guidelines for the implementation of *Contratos Plan* at the regional level.

The team will also be disseminating information and building consensus on the draft Public-Private Partnerships law.

Result 4.5: Support GOC Institutional Strengthening for Good Governance

In Q5, the team will write and submit to the GOC the Proyecto de Ley Marco and the regulating Decrees, which supports the Constitutional reforms for the new Public Employment framework.

Result 4.7: National training plans that meet the needs of Municipalities

In Q5, the Program will present the CONPES document on the Institutional Strengthening of Sub-national Governments Program for approval. The program will be launched during the Induction Seminar for New Mayors and Governors in December. Similarly, nine manuals will be developed to be used during a seminar approved by the National Planning Department.

COMPONENT 5: LABOR POLICY

At the request of the High Commissioner for Good Government, the Program under the labor component supported the structural design of the new Ministry of Labor. The Program subcontracted Oportunidad Estratégica, to assist the design of the new Ministry, with:

- The creation of the Vice-Ministry of Employment. The original structure included only one Vice-Ministry (Vice-Ministry of labor relations), but the component convinced the High Commissioner of the need to have a second Vice-Ministry in charge of employment generation and sound employment policies.
- The reform of the labor inspection system in accordance with the recommendations of the Public Policy Program. This includes the introduction of risk analysis as a way of targeting inspection activities to areas where labor rights violations are more likely to happen.
- The separation of labor inspection activities from those of inspection planning and inspection policy design.
- Simplification or elimination of unnecessary procedures under the responsibility of inspectors, especially in regional offices.
- The draft decree creating the new Ministry will separate inspection activities from other administrative and policy implementation activities (such as employment policies) under the responsibility of regional offices, making it easier for labor inspectors to concentrate on their inspection activities.

A second accomplishment was the completion of an important document on determinants of job search and unemployment duration as support to the unemployment insurance system (which includes a labor market intermediation system) under preparation by the DNP and the Ministry of Social Protection. This study identified key sectors of the population which have experienced long spells of unemployment and groups characterized by frequent, though short, spells of unemployment. This information will be of major significance in fine tuning the system currently being developed and in determining its financial feasibility.

The new Pillar structure proposed to USAID has three focus areas for the Labor Component; as a result, the Program will need to consolidate the revised work plan with SENA, the Ministry of Social Protection (Ministry of Labor soon to be) and the National Department. The new focus areas are:

- Employment generation policy: The focus is on the creation of conditions to improve labor market opportunities for rural inhabitants as a complement to rural development policies in Consolidation areas and in support of victims and other vulnerable population.

- Labor Market Intermediation: Support the SENA and other government institutions and the private sector, appropriately and efficiently match labor supply and demand, as a mechanism to lower structural unemployment, and improve factory productivity which will contribute to a sustainable improvement in family incomes and living conditions.
- Training needs forecasting: Improve the relevance of training by making it more consistent with the employer requirements and market demand in general. The purpose is to improve the way SENA identifies training needs and designs the training services offered.

RESULTS AND ACTIVITIES

5.1: Effective labor inspections and enforced labor rights

The Program actively participated in the structural design of the new Ministry of Labor. Given that the creation of the new Ministry involved a comprehensive reform, participation in this process allowed the component to quickly achieve a number of performance standards. The Program's participation will also greatly contribute to ensuring that the optimal structure of the new Ministry.

Performance Standards Achieved

- Institutional reform (creation of the new Labor Ministry, which includes risk-analysis-based inspection system).
- Workshop on labor inspection. This workshop included a general discussion on the purpose and structure of the new Labor Ministry.
- An institutional reform for the simplification of procedures and abolition of unnecessary red tape (part of the same overall reform of the Ministry).

Result 5.3: Training Programs Linked to Demand

The Program started working with DANE on the implementation of SINIDEL (Sistema Nacional de Información de Demanda Laboral). The SINIDEL was created by Law 1429 (2010), following recommendations made by the Labor sub-component of the MIDAS Program.

Result 5.5: GOC reforms to strengthen the functioning of labor markets

The document identifying the most important determinants of unemployment and search duration was finalized. This document will be the basis for the design of an unemployment insurance system based on individual accounts, which the DNP and the MSP are currently implementing. The Labor Policy Component Manager will continue lending technical support to the working group created by the DNP and MPS for the implementation of the unemployment system.

FIFTH QUARTER PRIORITIES

5.1: Effective labor inspections and enforced labor rights

Implement the workshops and seminars described above with CGT and with Nuevo Liderazgo Campesino. The Program will provide a grant to the Confederación General de Trabajadores (CGT) to organize a one-day seminar on Labor Rights and Hiring Practices in the Health Sector. This is important because the health sector is a microcosm of hiring practices (direct hiring, outsourcing, workers coops, etc.) that provides a fairly accurate picture of the general working conditions and respect for ILO standards in Colombia. The seminar is planned for November 2011, and will include the participation of government, private sector and work-force representatives.

A second agreement will be signed with the Federación Nacional Sindical Nuevo Liderazgo Campesino, the largest organization of rural workers in the country. The purpose of this agreement will be to develop a series of five workshops (in five different regions) on labor rights in rural areas.

5.3: Training Programs Linked to Demand

The completion of SINIDEL design will be a priority. SINIDEL will generate essential information for designing employment generation policies, development of adequate labor market intermediation systems and for the structuring of demand driven training services.

To support the implementation of SINIDEL, the Program will provide technical assistance to DANE in identifying information required to build an indicator system on the existence of unfilled vacancies, labor cost, and employment creation and elimination in the Colombian economy. The identification of vacancies by sector and occupation will be important elements for the design of demand-driven training programs. The information system will be a key element for the proper design of training programs and sustainable employment creation and income generating programs in rural areas and consolidation areas, and for the implementation of adequate labor market intermediation initiatives for vulnerable population.

5.4: Special Training Programs for IDPs Developed

The development of a work plan with SENA and eventually the new Ministry of Labor that includes training programs for IDPs, training forecasting systems to organize training supply and labor market intermediation reforms to improve the availability of the services to the general public will be a priority. Special attention will be placed on programs for rural workers (as part of employment generation policies) and victims and other vulnerable populations.

5.5: GOC reforms to strengthen the functioning of labor markets

Design employment generation programs for rural areas, consolidation areas and regions with a high concentration of victims. The Program will identify a number of key labor market and social security reforms needed to facilitate employment generation, particularly in rural and consolidation areas.

Cross-cutting activities

Interactions with the other components of the Policy Program will be undertaken to maximize the impact of its activities. The area in which this interaction will be especially important is in the design of training programs for vulnerable populations (Task 5.4.1). The activities in this task will complement, and be complemented by, the activities in Task 3.4.1 (Support the implementation of programs that promote income opportunities for vulnerable populations) and Task 3.5.1 (Assist with the implementation of GOC policies for Afro-Colombians and indigenous communities). The Labor component will work with Component 3, Policies Toward Conflict-Affected Populations, in the design of training activities for vulnerable populations and will prepare a joint strategy for their implementation.

COMPONENT 6: ENVIRONMENTAL POLICY:

At the request of the Ministry of Environment, Housing and Territorial Development (MAVDT), the Program assisted the GOC in the development of studies to support the institutional reform for the creation of the new Environmental and Sustainable Development Ministry. The Program also provided recommendations to modify the climate change policy. During Q4, the team worked with the Ministry to design three new policies: an Urban Renewal Policy, a Public Space Policy, and a Sustainable Construction and Urban Development Policy. Due to changes to the USAID Public Policy Program and budget adjustment only the Policy for Sustainable Construction and Urban Development will be supported going forward. The new priority activities will be: (i) definition of strategies to include in the policy document on Illegal Mining Formalization and guidelines for implementation, (ii) a document with strategies for delimitation of bodies of water. As a result of the changes to the USAID Public Policy Program the previously established results were adjusted and several were eliminated.

During the quarter, a strategic document on the implementation of the institutional reform of the new ministry was submitted to the GOC. In addition, the team provided recommendations for the design of the climate change policy. This policy document was approved with modifications during the CONPES session of July 14, 2011, and it is uploaded on the National Planning Department site as the CONPES 3700 of July 14 of 2011.

For the next reporting period we envision the Program will work on the implementation of a policy document to mainstream environment and climate change. Work will begin in February of 2012 with the Deputy Director of Housing and Urban Development at the National Planning Department on the policy. The policy will include an environmental and climate change perspective to ensure sustainable, environmentally sound urban development.

The sustainable urban development policy will be the first urban policy CONPES that fully incorporates environmental sustainability as a factor in urban development design and policy. Former documents have included some environmental issues but only in a cursory manner. The urban sustainable development policy will address policy objectives, guidelines, institutional framework and financial and implementation indicators, that are explicit to environmental issues.

All performance standards scheduled for this quarter have been pushed back to Q5 and Q6 as a result of the realignment of the Program.

RESULTS AND ACTIVITIES:

6.1 Improved Monitoring, conservation and protection of biodiversity

During Q4, the support for the biodiversity policy began. The document will be presented to the GOC in the first quarter of 2012 for discussion. There is already a draft policy document; additions will be made to the existing GOC document and approved by the Director of Ecosystems of the Ministry of Environment, Housing and Territorial Development.

The biodiversity action plan, all decree regulations, manuals, seminar and workshops for biodiversity activities were eliminated from the program. Support for the natural forest policy was also eliminated but support for the Law 2 /59 will continue in Q5 in coordination with the Land Component.

6.2 Support Implementation of the Policy that Defines the National Protected Areas System (SINAP)

This component has undergone strong debate and redefinition by the GOC through the National Natural Park Special Unit (UAESPNN). Initially, the Program was to support the development of an instrument for harmonizing categories for protected areas.

The UAESPNN determined that the negotiation of a new protected areas law (another performance indicator) was too politically risky. In the past, the debate on the development of a national protected areas system has been very controversial. Additionally, during the last few months under President Santos' supervision, a debate on the Regional Environmental Authorities reform has begun.

Given the political sensitivity, the Natural Parks Unit (UAESPNN) decided to develop the harmonization of protected areas categories with its own public servants to avoid any possibility of political misunderstandings that could limit their capacity to negotiate the protected areas law. The Program will assist the UAESPNN in drafting a general procedure for all Regional Environmental Authorities.

The Program will now be supporting the following:

- (1) Develop a clear procedure in one department (one that has already agreed to the protected areas category harmonization process) and support in the modification of all the territorial regulations.

- (2) Support analyzing the status of conservation of the new categories after the harmonization process is completed. If an existing category is redefined, a technical visit should be made to ensure that the new categorization is logical. For example, if a protected area is redefined as a Natural Park, the technical visit will establish if the area complies with that categorization.
- (3) Support activities related to protected marine and coastal areas.

Support for *Naturalmente Colombia* is underway and will conclude in Q5.

6.3 Support Actions to incorporate climate information into public policy decision making

Due to changing priorities of the Program this result was eliminated.

6.4 Support Policy design to develop PECS

During Q3, an outline of the REDD+ document was drafted and several documents were compiled to develop the first draft of the policy. During Q4, the Environment team focused on the reform of the Ministry and was waiting to see what change would be made by the GOC in terms of their direction for this policy. Work on the REDD+ documents began again at the end of the quarter and will continue during Q5.

6.5 Support GOC in climate change policy initiatives.

During the quarter, the climate change policy was published and the Program was preparing the final draft of the related decree to create the National Climate Change System.

Support for the Low Carbon Development Study led by the World Bank began during the quarter and is expected to be finalized in February or March of 2012.

The terms of reference for the coordination of the Third National Communication were defined, and the consultant was selected by IDEAM. One of the first tasks will be to adjust the methodological framework with the GOC agencies responsible for the Communication. The second phase will include a regional debate on the methodology and final adjustments to the strategy.

6.6 Implementation of the environmental sub-agreement of the US-Colombia Free Trade Agreement

Due to changing priorities of the Program this result was eliminated.

FIFTH QUARTER PRIORITIES

6.1 Improved Monitoring, conservation and protection of biodiversity

The first draft of the National Biodiversity policy will be sent to the Ministry of Environment.

6.2 Support Implementation of the Policy that Defines the National Protected Areas System (SINAP)

A draft instrument with the general procedures for the harmonization of protected areas categories will be prepared. The first draft of the *Naturalmente Colombia* instrument will be completed.

6.5 Support GOC in climate change policy initiatives

A decree creating the National Climate Change System will be drafted.

Cross-cutting Activities: While developing each of the activities, the environmental component maintained a close relationship with 1) the Land Policy Component, specifically for viable strategies formalization, restitution and titling that do not affect the protected area system; 2) the Decentralization Component in relation to the impact of the environment and environmental resources in the definition of land use and land management, and strengthening local capacities in the exercise of the functions and

environmental responsibilities; and 3) the Conflict-Affected Populations Component, to the extent that the component seeks to provide alternatives that will permit the improvement of livelihoods among Afro-Colombian and indigenous populations that depend on renewable natural resources for their livelihoods.

Additionally, the environmental component coordinated with other USAID funded environmental programs including climate change, protected landscapes, among others, in order to support the GOC in a comprehensive manner and optimize human, logistical and financial foreign aid resources.

PROGRAM MANAGEMENT AND ADMINISTRATION

Procurement of Program Property

AECOM received approval from USAID on September 16 for an updated ODC Procurement Plan that modified the original plan submitted as part of its original proposal. The updated procurement plan reflects new pricing information; the inclusion of items received from ADAM and MIDAS, and changes that evidence actual needs based on the offices selected for the Program.

Recruitment/Contracting

AECOM hired 18 consultants during the quarter and approved the hiring of 14 consultants through sub-contractors. Total commitments under the AECOM Grants & Subcontracts budget line reached COP \$1,352,376,785 (or approximately US \$751,320). During the quarter, the AECOM Contracts & Grants Department signed 17 new contracting instruments: 1 Standard Grant; 5 New Fixed Price Contracts; and 11 Task Orders.

ACTIVITIES / July - September / 2011			
COMPONENT	Instrument	New	Modifications
Land	IQC		1
	Task Order	1	
	Contract	7	
	SG		
		8	1
Finance	IQC		
	Task Order	3	
	Contract		
	SG		
		3	0
Vulnerable Population	IQC		
	Task Order	3	
	Contract	1	
	SG	1	
		5	0
Decentralization	IQC		
	Task Order	2	2
	Contract	8	
	SG		
		10	2
Labor	IQC		
	Task Order	2	
	Contract	1	
	SG		
		3	0
Enviromental	IQC		
	Task Order		
	Contract	3	
	SG		
		3	
Shared		3	
		3	0
		3	0
TOTAL		35	3

Operations

Information Systems. In Q4, the Program began to work closely with the Home Office to migrate all internal and external (USAID) approval processes to One Source, AECOM’s corporate information management system that has been customized for the Program’s use. Additionally, in Q4, the Program included two features that help to better inform USAID regarding Program implementation. Now, all Technical Monitors receive notification from One Source when a new Scope of Work (SOW) is uploaded into the system for the COTR’s approval, providing them the opportunity to give additional feedback to the Program regarding SOWs, if necessary. Additionally, an activity calendar was added to One Source through which USAID is notified of and invited to all government meetings. All processes will be finalized in Q1 FY 2012, creating a more robust, one-stop information system.

The Program also initiated design of a webpage in order to provide a public face for the program. The Program will be working closely with USAID in the next quarter to finalize the content and design.

Request for Modification. On September 16, the Program received a request for modification to the Public Policy Program contract from USAID. The request consisted of restructuring the program under a new three pillar structure, identifying activities that would be phased out or added, and proposing a modified management structure to reflect the new program structure.

The Program presented its proposal to USAID on September 30. The Program is currently making adjustments to the proposal as requested by USAID, and will resubmit in October. AECOM expects to implement the approved Program modifications in Q1 FY2012.

Security. The Program had anticipated identifying a security firm during Q4 to review program and travel needs. However, based on discussions regarding the requested modification, the Program chose to wait to evaluate the new program structure, given that the modification had additional activities focused on consolidation and pilot programs in Montes de Maria, where security needs are anticipated to be significant.

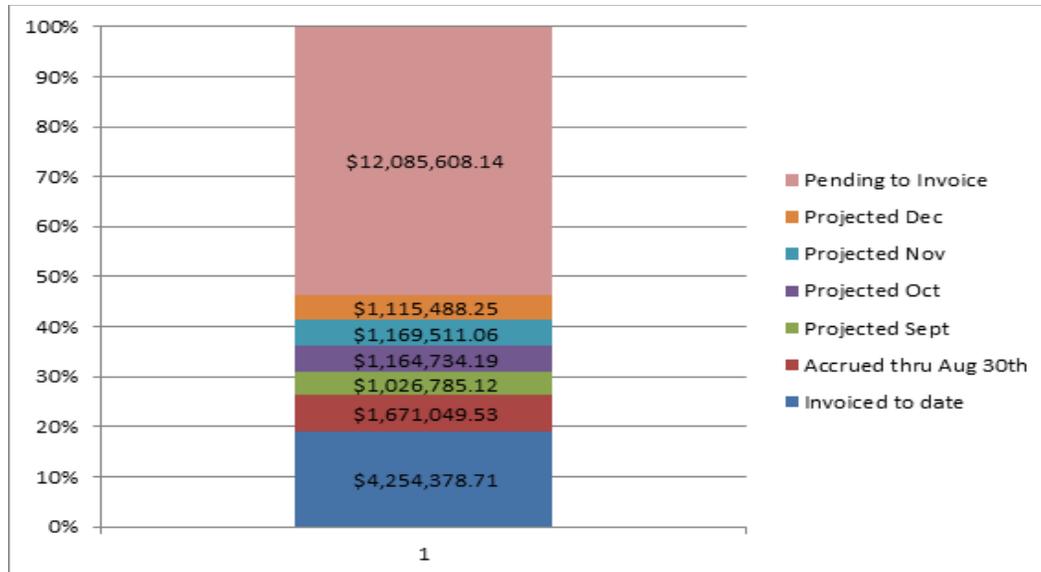
Events. Program events ramped up in Q4 by 40%, reaching 600 participants.

	July	Aug	Sept	Q4 Total
No. In-house Events	1	2	5	8
No. External Events	9	1	8	18
Total No. Participants	313	45	242	600

Financials

To date, the Program has invoiced USAID for US \$4,254,378.68. The Program estimates that it has an additional US \$2,697,834.65 in accrued expenses through the end of Q4 (September 2011) for a total of US \$6,952,213.33, equivalent to 57.6% of the Program’s obligated funding. Projections show that by the end of Q1 FY2012, the program will have accrued US \$10,401,946.86, equivalent to 86% of the currently obligated funds, and 46% of the total program budget. December marks month 14 of a proposed 30-month project (46% of the project timeline).

Program invoicing to USAID has steadily risen and is expected to break US \$1M for billing that covers the month of September.



Note: Numbers reflect amounts that will be accrued each month, not invoiced.

Key Q1 FY2012 Activities:

During the first quarter of Year 2, the Program will work with USAID to implement all approved modifications to the Prime Contract. This will include adjusting the technical and operations teams to meet new requirements; finalizing the Program’s Year 2 Work Plan; and adjusting the PMP to meet new program requirements.

ANNEX I: PERFORMANCES STANDARDS CHART

Performance Standard	Q1	Q2	Q3	Q4	Achieved to Date	Total in Contract
Input to National Development Plan	4	8	2	0	14	14
Input to CONPES Document of equivalent	0	0	1	0	1	13
Inputs to Laws	1	2	7	5	15	16
Inputs to Decrees/Regulations	4	3	1	8	16	50
Institutional Reforms	0	0	0	2	2	46
Policy Instruments Designed and Implemented	1	2	2	6	11	88
Seminars	0	1	2	2	5	25

Performance Standard	Q1	Q2	Q3	Q4	Achieved to Date	Total in Contract
Pilot Programs Assistance	0	2	7	0	9	33
Workshops	1	9	22	16	48	147
Manuals & Guidelines	0	0	0	0	0	54
Trained Personnel	0	0	0	0	0	85 labor inspectors
Resources Leveraged by Pilot Programs over LOP	0	0	0	0	0	\$220M

ANNEX II: DELIVERABLES FOR Q4

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
1.1	Decree/Regulation	One Draft Decree on Victims' Law implementation for ethnic communities was submitted to the GOC.	July	Universidad de los Andes	MIJ PPTP-MADR
1.1	Workshops	A workshop on lessons learned by INCODER in restoring property rights on land subject to agrarian reform.	July	ARD-Inés de Mosquera	INCODER
1.6	Workshops	One workshop on lessons learned for institutional reform related to land rights.	July	ARD-Javier Mendoza	INCODER
1.7.	Seminars	One International Rural Development seminar.	July	AECOM ARD-Inés de Mosquera	MADR INCODER
1.7.	Workshops	One Rural Development workshop.	July	AECOM ARD-Inés de Mosquera	MADR INCODER
1.8	WEEKLY REPORT	10 weekly reports containing updates on the component's activities, main events and news.	July-Sept	AECOM	USAID
2.1	Workshops	One workshop held August 9 in alliance with the ICP, to discuss modifications to the Civil Code of Procedures and the enforcement of guarantees. In Colombia, the mechanisms to enforce collection are costly and take several years.	August	AECOM (Diana Parra), Marulanda Consultores and ICP	Ministerio de Comercio y Superintendencia de sociedades
2.1	Decree/Regulation	One Decree/Regulation developed to promote the protection of consumer rights.	July	Marulanda Consultores	Superintendencia Financiera

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
2.3	Decree/Regulation	One Decree/Regulation developed to promote financial inclusion (document w/analysis of the regulation required to extend the CNB model to brokers in the stock market and national and international remittances).	July	Marulanda Consultores	Superintendencia Financiera
2.3	Workshops	One workshop on E-Money and Financial Inclusion	September	Marulanda Consultores	Ministerio de Hacienda Banco de La república; superintendencia Financiera, Ministerio de Telecomunicaciones
2.5	Seminars	One seminar: “The Experience of Mexico in the implementation of agricultural insurance for natural disasters: Lessons learned and recommendations for Colombia”	July	International Expert from Secretaria de Hacienda de Mexico y Aseguradora Publica (Agroasemex)	MADR
2.5	Workshops	Four workshops with insurers, reinsurers and brokers, Financial Regulators (Financial Superintendence and Ministry of Finance), GOC (MARD, Finagro, Banco Agrario and DNP) to promote the implementation of agricultural insurance for natural disasters in Colombia.	July	AECOM (Diana Parra, Alexandra de Zubiria),	(Financial Superintendence and Ministry of Finance), GOC (MARD, Finagro, Banco Agrario and DNP)
2.7	Decree/Regulation	One Decree/Regulation developed to promote debt relief and financial inclusion for victims.	September	AECOM (Diana Parra), Marulanda Consultores	MIJ
2.7	Policy Instrument	One Policy Instrument developed to facilitate lending to those affected by the floods.	September	Marulanda Consultores	Banca de Oportunidades
3.1	Workshops	Center of Historical Memory (CHM) Expert’s workshop to discuss the CHM proxy budget.	July	Aecom Dhemos Patricia Linares Edgar Gonzalez	MIJ/Min Justicia
3.1	Workshops	3 meetings with experts and public officials for MIJ supporting on Nation -Territory articulation – Regulation of competencies framework in the Victims’ Law.	August	AECOM	MIJ
3.2	Law	Support the Ministry of Interior in the formulation of the Law for Disabilities.	July	AECOM/ Alianza Saldarriaga Concha y Uniandes	MIJ

CLIN	Performance Standard	Description	Date	Program Support Instrument	GOC Beneficiary
3.3	Workshops	Workshop, inclusive rural business for the extreme poor and IDPs.	September	Oportunidad Estrategica Mara Calra Rodriguez y Jenny Cavalli	MADR DNP Accion Social
3.3	Workshops	Feedback workshop with NGOs and victims organizations on Victims National Plan.	September	MJ / Apoyo aecom	min Justicia
3.4	Law	Document w/ recommendation for GOC law introducing affirmative action for Afro-Colombians.	July	Econometria (alvaro Reyes)	MIJ
4.2	Workshops	Consolidation regional plan revision with all members of CCR.	September	Economia Urbana	High Commission for National Security, Acción Social (CCAI)
4.3	Law	A Bill regulating budget organic procedures is currently under the Ministry of Finance revision.	September	Economia Urbana	Ministry of Finance
4.3	Law	A Bill issuing budget, accountability and fiscal transparency organic procedures is currently pending in Congress.	September	Economia Urbana	Ministry of Finance
4.3	Decree/Regulation	A Decree project regulating necessary aspects to develop Consejo Superior de Política Fiscal – CONFIS functions submitted to the Ministry of Finance.	August	Economia Urbana	Ministry of Finance
4.3	Decree/Regulation	Submission to the Ministry of Finance Resolution to adopt the regulation of the Consejo Superior de Política Fiscal – CONFIS.	August	Economia Urbana	Ministry of Finance
4.4	Decree/Regulation	Decree regulating the Comisión de Ordenamiento Territorial (COT), submitted to Ministry of Interior.	August	Economia Urbana	Ministry of Interior
4.4	Decree/Regulation	Draft of a decree regulating the Contratos Plan, submitted to GOC.	September	Economia Urbana	National Planning Department and Ministry of Interior
4.4	Law	Draft of Public – Private Partnerships Bill submitted to GOC	September	AECOM	National Planning Department
4.5	Constitutional Reform	A Constitutional reform reshaping the legal framework of public employment.	September	AECOM (Ana María Rivera)	Alta Consejeria para el Buen Gobierno
5.1	Workshops	Workshop on labor inspection. This workshop included, besides labor inspections, a general discussion of the purpose and structure of the new Labor Ministry.	July	Oportunidad Estrategica	Alta Consejería para el Buen Gobierno
5.5	Policy Instrument	Document identifying the most important determinants of unemployment and search duration was finalized.	July	AECOM	DNP Ministry of Social Protection
6.7	Policy Document	1 Document w/ inputs supporting the separation and reform of the Ministry.	August	Fundación Creamos	MAVD