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# PUBLIC POLICY PROGRAM QUARTERLY REPORT – Q7 APRIL – JUNE 2012

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# USAID PUBLIC POLICY PROGRAM

## QUARTERLY REPORT 7

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## ACRONYMS & ABBREVIATIONS

ACIP	Afro-Colombian and Indigenous Program
AFS	Agricultural Financing System
ANIF	National Association of Financial Institutions
BDO	Banca de las Oportunidades
CAF	Latin American Development Bank
CELI	Consolidated and Enhanced Livelihoods Initiative
CONPES	National Council on Social and Economic Policy (White Paper)
DANE	National Department of Statistics
DNP	National Planning Department
DPS	Administrative Department of Social Prosperity
FNG	National Guarantees Fund
FOMIN	Inter-American Development Bank's Multilateral Investment Fund
GOC	Government of Colombia
GRS	General Royalties System
IDPs	Internally Displaced Persons
INCODER	Colombian Rural Development Institute
IOM	International Organization on Migration
LCDS	Low Carbon Development Strategy
LEDS	Low Emission Development Strategy
LRU	Land Restitution Unit
MARD	Ministry of Agriculture and Rural Development
MOF	Ministry of Finance
PDRET	Rural Development Plans with a Territorial Focus
PNNU	National Natural Parks Unit
REDD	Reduced Emissions from Deforestation and Degradation
SCG	Savings and Credit Groups
SENA	National Learning Service
SINAP	National System of Protected Areas
SINIDEL	Labor Demand Information System
SMEs	Small and Medium sized Enterprises
SNARIV	National System for Victims' Assistance and Comprehensive Reparations
TNC	Third National Communication on climate change
UNIDOS	Network for Extreme Poverty
USSD	Unstructured Supplementary Service Data
Consolidation Unit	Special Administrative Unit for Territorial Consolidation and Reconstruction
Land Restitution Unit	Special Administrative Unit for Land Restitution Management
Victims' Law	Victims' and Land Restitution Law/Law 1448 of 2011
Victims' Unit	Special Administrative Unit for Integral Victims' Assistance and Reparations

## EXECUTIVE SUMMARY

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*During Q7, the USAID Public Policy Program (the Program) continued to contribute innovative solutions to some of Colombia's most complex public policy reform needs by supporting critical legal and regulatory reforms, and the formulation of the GOC victims' and consolidation policies. The Program also emphasized support to key institutions responsible for the implementation of the GOC's ambitious agenda. This support includes assistance to develop a transparent, merit-based selection process for the personnel of these new institutions that insulates them from cronyism. Technical assistance was also provided to develop and ensure the adoption of strategic planning and procurement processes that will enable the Units to meet the ambitious targets established by the GOC. The Program undertook strategic assessments to improve re-design the roles, responsibilities and organizational and staff structure of key GOC institutions in order to ensure they can meet the obligations defined by the corresponding law.*

*Land Policy Pillar.* Over the past quarter the USAID Public Policy Program contributed to significant legislative reforms championed by the Government of Colombia (GOC). Congress is in the process of approving a reform to the Justice and Peace Law (975 of 2005) that provides Justice and Peace magistrates with additional tools to reconstitute land violently seized by illegal combatants. This reform harmonizes the Justice and Peace Framework and the Victims' Law, creating a single route for expeditious property restitution to victims of Colombia's armed conflict.

The Program also provided support to mainstream gender issues across the Land and Rural Development Bill. The bill now requires GOC entities (such as Ministries of Agriculture, Transportation, Energy, and Information Technology and Communications) to ensure a differential approach to the provision of services for men, women and youth that take into account gender disparities. Special emphasis is placed on the provision of producer services, collection and access to information, and access to land, financing and other producer inputs. Thanks to Program inputs, the bill introduces a gender based differential approach to land tenure rights and property registration, and ensures equal representation for women on GOC decision making boards that govern rural sector service provision. The Program, together with USAID's BioREDD Program, also provided detail recommendations to reduce deforestation and prevent further expansion of the agriculture frontier. Under the updated bill, the GOC protects natural forest reserve areas from land owners who attempt to co-opt land for titling, and landless farmers can receive land plots that include a mix of farm land and natural forests that they conserve and protect. The bill also recognizes that certain natural forests no longer exist and introduces economic incentives to reforest and develop sustainable agriculture livelihoods.

The Program also supported a major tax reform relevant to the agricultural sector which will be introduced to Congress in during the upcoming legislative sessions. The reform encourages sustainable land use and environmentally friendly agricultural practices, as well as private investment in rural infrastructure (tertiary roads, water irrigation systems).

*Victims' Policy Pillar.* The Victims' Unit, the National Planning Department, and several ministries received Program support in the drafting of the National Plan for Victims' Assistance and Comprehensive Reparations National Council on Social and Economic Policy white paper (CONPES document) approved on May 30 as CONPES 3726. The CONPES document aligns the different services and activities carried out among the entities that form the National System for Victims' Assistance and Comprehensive Reparations (SNARIV), and, provides policy guidelines and a goal-oriented action plan together with a budget and monitoring and evaluation mechanisms. The CONPES document recognizes the mismatch between GOC services and victims' needs, providing detailed recommendations to

different ministries to reform their services and the form in which these services are delivered to victims. The Program provided assistance to the Victims' Unit and relevant ministries to redefine service delivery for housing, land, income generation, psycho-social assistance and nutrition.

*Consolidation Policy Pillar.* The Public Policy Program has also provided support to the National Consolidation Unit, the National Planning Department, the Ministry of Defense and other ministries to draft the National Consolidation Policy CONPES document. This document incorporates the National Consolidation Plan developed in 2011 during the strategic revision process of the GOC consolidation policy. Initial commitments by 24 different GOC agencies increased funding for consolidation zones to US \$922 million for 2013 (represents 700% increase over previous years). During Quarter 8 the Program will continue to support the National Consolidation Unit in its dialogue with different ministries to ensure that the CONPES includes a detailed action plan and a reform to GOC service supply, introducing incentives to expand coverage in consolidation areas.

*Multidisciplinary Work.* During this past quarter the Program continued to support the institutions created under the Victims' Law. A multidisciplinary expert team provided capacity building and technical assistance to the Land Restitution Unit to revise its processes related to the reception and processing of claims, and the filing of restitution suits with magistrates. Security has also become a prominent concern of the restitution process. Therefore, the Program assisted in the development of risk assessment formats and matrixes and provided support for the design of protocols to mitigate security risks. Similarly, the Program provided recommendations for a GOC security strategy to reduce security risks in areas where land restitution will take place. To continue to build the Unit's operational capacity, the Program supported the Unit's personnel selection process, ensuring that the most qualified lawyers and land surveyors were hired.

A personnel selection process for 550 job positions was also supported within the Victims' Unit. Program support included the development of job descriptions and transparent and open procedures and criteria to identify candidates and select personnel. The Program continued to support the Unit's Strategic Planning Process, which adopts 15 strategies that formed the basis of the aforementioned CONPES 3726 and the Action Plan under implementation by the Unit. This work culminated with a national-level workshop to present the Unit's priorities, goals, actors, and implementation methodology and timeline to the Unit's managerial team and 20 territorial offices. The Program has also supported the development of the Unit's communication strategy to be implemented following the construction of a multimedia approach. The communication strategy is designed to inform both victims and other citizens on the rights of victims and the route followed by the GOC to reconstitute the rights of victims and their access to GOC services.

The Public Policy Program also continued support for the design and creation of Regional Assistance Centers. The Program developed, together with the Victims' Unit, a methodology to select the geographic location of the Centers, and identified four types of regional centers based on factors such as the concentration of victims in a given area, historic demand for services, and capacity of local entities to provide services. The Program has also provided recommendations to establish minimum requirements in terms of personnel, services, and institutional presence. Recommendations to mainstream gender, ethnicity, disability, and victims' participation throughout the Victims' Unit processes has also been provided.

The Program's Land and Victims' Policy Pillars are working together to strengthen coordination between the Land Restitution Unit and the Victims' Unit. This coordination includes co-location of Victims' and Land Restitution staff in regional offices, a joint declaration process, information sharing and

joint prioritization of areas where resources will be targeted. Assistance is being provided to select areas where victims' return will first take place is being provided and to develop common protocols to facilitate the return of victims to their land plots.

The Program continues to support the Department of Social Prosperity (DPS) by facilitating cross-referencing and targeting of victims, extremely poor Colombians, and ethnic minorities. This better use of information will allow the DPS to enhance coordination of GOC service supply and improve impact of DPS programs with vulnerable populations.

The Consolidation Unit also received support from a Public Policy Program multidisciplinary team. This support included assistance for the Unit's strategic planning process and the design of a Rapid Response Program. The Rapid Response Program adopts a flexible, timely approach to responding to citizen demands and building trust between the State and communities living in consolidation zones.

*During Quarter 8, the Program will continue to provide capacity building support to the Ministry of Agriculture and Rural Development, the Colombian Rural Development Institute (INCODER), and to GOC institutions implementing the Victims' Law. Implementation of national level policies at the departmental and municipal levels will also be supported. The Program will also insure the harmonization of key policies (land, rural development, the Victims' Emergency Relief and Integral Assistance Plan, the new Consolidation Plan, overcoming ethnic discrimination and exclusion, climate change and low emissions development) in the Contrato-Plan pilots in Gran Darien (Choco, Antioquia, and Cordoba), Montes de Maria, and Southern Tolima, and potentially Sierra Nevada and Cauca. The Public Policy Program will also begin support to several GOC ministries to expand coverage to rural and consolidation areas and meet the specific needs of victims and other vulnerable populations.*

## **PILLAR I: LAND POLICY**

The USAID Public Policy Program continued to provide technical assistance in the seventh quarter (Q7) to the Ministry of Agriculture and Rural Development (MARD), the Special Administrative Unit for Land Restitution Management (Land Restitution Unit), the Presidential Advisor for Good Governance, the National Planning Department (DNP), and the Colombian Rural Development Institute (INCODER). The Program's team supported the Land Restitution Unit (LRU) in: coordinating initiatives with the Special Administrative Unit for Integral Victims' Assistance and Reparations (Victims' Unit) in order to assist victims in a coordinated manner; setting-up processes to recruit strategic personnel; and designing and implementing a personnel selection process manual. It also gave support to the LRU in structuring a protocol to harmonize land restitution procedures decreed by the Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law) with those decreed by the Justice and Peace Law. The Program also assisted the LRU regarding security issues in the context of the GOC's new land policy. The Program initiated support for a comprehensive risk assessment which will result in the design of a protocol for regional (focalized areas) risk evaluation in regards to the Unit's personnel, information (ex., claimants' evidence) and land claimants. The team also reviewed the Land and Rural Development Law in regards to its gender approach and provided recommendations regarding this matter. It also continued to support the reform of INCODER and MARD, and continued constructing and strengthening an income generation model that complements MARD's regionally-focused rural development strategy. These reforms are important milestones in the Government of Colombia's (GOC's) objectives.

In Q8, the Program will focus on finalizing INCODER's administrative reform, continue supporting MARD's reform, and maintain technical assistance to INCODER for the implementation of at least two Rural Development Programs with a Territorial Focus (PDRET) pilots. This entails providing support to regional income generation initiatives; special assistance will be provided to an income generation pilot in Chaparral (Tolima) in order to design an income generation path for the vulnerable population that can be replicated in other regions. The Program will continue to support start-up and implementation activities of the newly created LRU: addressing security issues, strengthening management schemes between central and regional offices, and fostering coordination with other institutions.

*Gender:* In Q7, the Program worked with the High Commissioner for Women's Equality (Office of the President), to strengthen the Land and Rural Development Bill in regards to gender issues (*see activity 1.2.1.e*).

*Access to Financial Services:* Reform of the Agricultural Financing System initiated in Q7, and will be of great benefit to the rural population. It will open more credit options, particularly for small land holders (both men and women) and for the low-income population (*see activity 2.2.2.a*).

*Environment:* The Program worked with MARD, USAID BIOREDD, and the Ministry of Environment and Sustainable Development to incorporate an environmental focus in the Land and Rural Development Bill (*see activity 1.2.f*).

## Major Accomplishment

**Land restitution implementation harmonized between Justice and Peace Law and Victims' Law.** In Q7, the GOC accepted the Program's recommendations to harmonize land restitution implementation between the Justice and Peace Law and the Victims' Law. The bill, currently in the final debate in Congress, would modify the Justice and Peace Law (Law 975 of 2005) and includes three important reforms (*see activity 1.1.1.g*) related to land restitution which will accelerate the Justice and Peace restitution process and unify outcomes victims. This, combined with a Program-supported protocol to coordinate restitution processes, is also a concrete step towards synchronizing activities between the Land Restitution Unit (LRU) and the Victims' Unit.

Land restitution is an extremely important step on the road to integral reparation of victims. There is an enormous operational challenge with respect to coordinating responses to land claimants between the Victims' Unit and the LRU. Therefore, the Program assisted the Land Restitution Unit in reaching an agreement with other GOC entities (Consolidation Unit, Victims' Unit, and National Planning Department) to prioritize three zones for coordinated action on return of displaced persons: Mampujan (Bolívar), San Carlos (Antioquia), and El Toco (Cesar).

## Results, Milestones and Activities

### 1.1 Land Restitution Chapter of the Victims' Law implemented.

*In the Land Restitution Chapter of the Victims' Law, measures are established to restitute land to owners or occupiers (nearly 360,000 families) that were forced to abandon, sell, or cede their land as a result of the armed conflict. During Year 2 of Program implementation, the main challenge for the implementation of this chapter is the creation and strengthening of the Land Restitution Unit (LRU). In Q4 and Q5 the Land Policy Pillar supported the creation of the LRU. Challenges and efforts for Q7 and*

*beyond include: micro-focalization<sup>1</sup> of restitution areas, opening regional offices and hiring regional staff to process land restitution requests and prepare prioritized cases, defining a security protocol, and coordinating with other institutions (Victims' Unit, Consolidation Unit, and INCODER's judicial branch) that have regional presence and will support victims' relief or make the land restitution processes feasible and sustainable.*

### **I.1.1 Land Restitution Unit Established**

#### **I.1.1.c. Recruitment Process (in order to respond to staffing needs)**

**Land Restitution Unit Strengthened.** In Q7, the Program contracted a team of 4 professionals headed by a senior psychologist with expertise in public sector contracting and human resources. This team designed the contracting processes (including manuals and guidelines), and supported the posterior selection and hiring of personnel (*implementation of the recruitment process*). As a result hiring procedures have been carried out for 134 positions for 12 regional LRU offices (Medellin, Cartagena, Carmen de Bolivar, Cali, Valledupar, Santa Marta, Ibague, Monteria, Villavicencio, Barrancabermeja, Cucuta and Pasto). As such, the LRU will have the personnel on the ground to carry-out the responsibilities imposed by the Victims' Law in relation to land restitution processes.

#### **I.1.1.d. Security Strategy**

**Addressing security in land restitution.** The Colombian context, which includes a history of forced displacement and land seizure, has resulted in a complex land tenure environment. A history of informal land occupation may be the greatest threat to successful land restitution implementation. Land claimant security is the Ministry of Defense's responsibility and it requires coordination with all relevant land restitution stakeholders.

To reach this goal, this quarter, the Program will deliver assistance for high level risk evaluation and security design for the Unit by supported the LRU by carrying out an analysis of the threats received by land claimants and mapping out presence of armed groups in key regions. The Program's analysis of the information gathered will contribute to establishing the security needs of Unit personnel, information, land claimants, and land in different stages of investigation, the judicial process, return and post-return of land restitution. It is expected that a protocol will be developed based on this analysis in order to address actions to be taken by the Unit to safeguard its personnel, documents and regional offices, thereby reducing risks to the land restitution process.

#### **I.1.1.f. Monitor implementation of the Land Chapter of the Victims' Law**

**Making victims' offer more flexible.** In accordance with the Year 2 Work Plan, the Program, in Q7, coordinated with DNP, to support a study on services offered to the displaced population (*tracking compliance with rights afforded in the land restitution chapter of the Victims' Law*). This included an evaluation of government programs related to protection of property rights, land restitution, and formalization of property ownership. The study identified important weaknesses and risks associated with the implementation of these programs, and developed recommendations to overcome them. The main recommendations seek to reduce the vulnerability of the Property Protection Program with

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<sup>1</sup> The GOC has selected the the first 17 areas where land restitution will go forward (microfocalization). This is mandated by Decree 599 of 2012.

respect to pressure from local interests who oppose its implementation. Second, it aims to eliminate the profound differences between the Justice and Peace Law and Victims’ Law in relation to processing land restitution claims. Third, it will establish rigorous criteria for judges to grant compensation to third parties that acquired abandoned land in good faith free of guilt. Fourth, it will prevent illegal privatization of public lands. And finally, it will adopt a comprehensive strategy to implement all land programs (restitution, formalization, protection, recovery of wastelands, etc.) in a coordinated and organized manner. The majority of these recommendations are included in the Land and Rural Development Bill and the Justice and Peace Reform Bill. As a result of this work, the GOC has clarity on patterns and potential risks for on-going implementation of the Law in order to inform current and future decision making.

**Protocol harmonizes land restitution implementation in the Justice and Peace Law and the Victims’ Law.**

In accordance with the Year 2 Work Plan, the Program has supported the detection of patterns and potential risks for implementation of the Land Restitution Chapter of the Victims’ Law. The differences between the restitution processes that form part of the Justice and Peace Law and the Victims’ Law threaten the comprehensiveness of the GOC’s victims’ reparations strategy. As such, since Q5, the Program has worked with the MARD, the Ministry of Justice and the Attorney General’s Justice and Peace Unit to harmonize land restitution implementation between the Justice and Peace Law and the Victims’ Law. The protocol includes a comparative analysis of the two routes to restitution from a transitional justice perspective. Finally, it poses a set of recommendations to harmonize the two regulatory frameworks and in this manner resolve existing gaps and identifiable challenges and risks to the process.

The GOC took into consideration the Program’s analysis and recommendations and has included them in the Justice and Peace Law reform this quarter. The bill, currently in the final debate in Congress, would modify the Justice and Peace Law (Law 975 of 2005) and includes three important reforms related to land restitution. First, under the current legislation, Justice and Peace magistrates lack some legal instruments that the Victims’ Law grants to the restitution judges. The reform corrects this by granting both sets of judges the same legal faculties. Second, Justice and Peace judges, in their investigation of cases dealing with demobilized paramilitary groups, often collect confessions that could help restitution judges in proving that a victim has the right to claim land. The reform requires that this information be shared with the Land Restitution Unit and restitution judges. Finally, the reform modifies the Justice and Peace Law to introduce the same principles in relation to the burden of proof (favoring victims) and to give “third parties free of guilt” the same treatment under both laws. This change will accelerate the Justice and Peace restitution process and unify outcomes for involved parties.



*Land Restitution (Microfocalized Areas) Map*  
 Source: Land Restitution Unit

### **I.1.1.g. Support the Land Restitution Unit in the coordination of return process**

**First agreements reached to coordinate victims' relief in the return process for three prioritized zones.** The Victims' Unit and LRU have agreed to coordinate activities with respect to: the return process, collective reparations and land restitution. The two Units agreed to coordinate interventions and concluded that an optimal intervention involves the three aforementioned elements and that they should be carried out in a coordinated fashion over time.

As mentioned in the *Major Accomplishments section* of this document, the Program supported a process in which the Victims' Unit and the LRU agreed to initiate their work in a coordinated fashion in the three zones where the LRU is presently operating (Mampujan (Bolívar), San Carlos (Antioquia), and El Toco (Cesar)). Program support was delivered through technical assistance to the Land Restitution Unit in the form of a consultant who promoted dialogue between the two Units and supported the design of the coordination strategy. These zones have been prioritized for return and it is expected these zones will qualify for collective reparations. The joint goal for 2012 is to identify two additional zones for coordinated work.

## **I.2 Land and Rural Development Law Drafted**

*The Land and Rural Development Bill defines the framework for the GOC's rural development policy territorial approach, as well as land access and use policy. The Law aims to bring sustainability to agrarian procedures, public good delivery and income generation initiatives. During Q7, the Program provided the GOC with inputs to mainstream gender across all chapters of the bill and provided inputs for environmental strengthening. It is expected the bill will be approved by Congress in Year 3.*

### **I.2.1 Inputs to the Rural Development Law**

#### **I.2.1.e. Strengthen gender focus in draft Law**

**Gender focus in the Rural Development Law.** One of the weaknesses still inherent to the Rural Development Law is that it does not contain a true inclusion of women focus. In Colombia, social and economic conditions between men and women are unequal, particularly in rural zones. The Program reviewed the draft bill and provided recommendations in order to ensure gender becomes a cross-cutting issue in the draft law.

By addressing gender issues within the bill, which includes among other things, the use of time and economy of care;<sup>2</sup> it is hoped that implementation will address women's specific needs such as child care. Additionally, affirmative action includes access to information, gender-specific statistics, participation, and elimination of obstacles that hinder access to services, adequate mechanisms and instruments to access gender-specific services, gender-specific technical assistance, land access, among other things. During Q7, this activity was carried out by the Program in coordination with the High Commissioner for Women's Equality/Office of the President. Program recommendations were

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<sup>2</sup> Economy of care refers to goods, services, activities, relationships and relative values of basic needs relevant to the existence and reproduction of people in the societies where they live. Relating care with the term economy refers to the aspects that generate or contribute to the generation of economic value, particularly how societies organize the care of its members and the functioning of its economic system ([http://www.eclac.org/mujer/reuniones/mesa38/C\\_Rodriguez.pdf](http://www.eclac.org/mujer/reuniones/mesa38/C_Rodriguez.pdf)).

integrated in to the draft law and delivered to the MARD. The Program has not yet seen the confidential final version.

### **I.2.3. Design of Sustainable Livelihoods Policy Framework**

#### **I.2.3.b. Comprehensive MARD reform**

**MARD reform assistance strategy in place.** In Q7, the Program worked with MARD to define the technical assistance strategy for the agricultural sector reform that will be supported. As part of this work, in Q8 the Program will support a strategic re-design of the MARD as head of the agricultural and rural development sector and a complementary regional strategy.

#### **I.2.3.c. INCODER reform study**

**Strengthening INCODER's management structure.** The Program has initiated key steps to improve the INCODER's management structure and capacity to implement rural development, victims and land restitution policies. As such, the Program carried out a detailed study of the INCODER's present situation in regards to its upper management. Based on the study's results, the Program is preparing a proposal to strengthen its managerial structure via the provision of strategic guidelines and technical assistance, thereby, providing INCODER with the management structure needed to assume its new functions and responsibilities. The resulting decree on the INCODER's new structure will be signed at in Q8.

Key proposal recommendations include: (1) Creation of a Deputy Management Office that will coordinate the INCODER's strategic plan, management of regional offices and thematic departments, and provide technical support to the INCODER's director, and (2) Strengthen administrative processes to improve operational capacity, particularly in the contracts department to effectively implement outsourcing.

#### **I.2.3.d. Provide Inputs to the Rural Sector Tax Reform**

**Inputs to the Rural Sector Tax Reform delivered to the Ministry of Agriculture.** The Program reviewed, with legal experts, the current tax policy and delivered recommendations on tax exemption in order to motivate rural development and investment in agribusiness activities. These inputs to the tax reform were delivered to MARD on May 15th. The Program also supported the design of a model permits the GOC to evaluate different tax scenarios for specific agribusiness value chains and investment initiatives. Some data from the private sector still needs to be collected in order to test the model.

#### **I.2.3.e. Design an income generation path for victims and rural poor**

**The Program initiated inter-agency coordination to implement an income generation and livelihoods pilot project in Chaparral.** The Program, in coordination with the DNP, is supporting the design of an income generation and livelihoods model to reduce poverty in rural areas. As a first step, the Program supported the design and development of the population characterization instrument to analyze the families' productive profile for the pilot site, Chaparral (Tolima). Based on the baseline information collected from 500 rural Chaparral families, the Program will work with GOC entities to finalize the integrated livelihoods model which will address income generation, improved housing, and basic sanitation needs with the 500 poorest families of the five selected districts.

The pilot experience will provide valuable information for consolidation and land and rural development policy implementation since Chaparral is located in a consolidation zone, and, the Program is concurrently supporting a Rural Development Program with a Territorial Approach and a Contrato-Plan for the same region. The pilot is primarily financed by INCODER and MARD and the regional Consolidation Unit will participate actively in program implementation.

#### 1.2.4 Design of Regional Rural Development Areas (RDA)<sup>3</sup> Programs

*Please see QR report section Support Activity Result 3.1: Link local, regional and national government and USAID implementers.*

##### ***Policy Instruments delivered:***

- Manual and guidelines for LRU personnel selection
- Protocol for harmonization of the Victims' Law and the Justice and Peace Law, containing inputs for the new revised Justice and Peace Law
- Inputs for the Rural Sector Tax reform
- Gender Inputs to the Land and Rural Development Law
- Environmental Inputs to the Land and Rural Development Law

##### **Pillar Challenges**

Rural development and land policies face important challenges in the coming months; the first restitution cases must be adjudicated and they will require coordination both at the institutional level (Victims' Unit, Consolidation Unit, INCODER, and LRU) and at distinct governmental levels (national, departmental and municipal) in support of displaced persons' return. This will also require harmonization between services offered and access to productive projects to ensure sustainability (1.1.1.f).

INCODER has two fundamental challenges before it. First, it must effectuate its functions at the regional level, both in terms of integral rural development and land access and formalization. Second, it must carry out its institutional reform within the next few months under the guidance of its new manager (1.2.3.d).

Finally, the Chaparral pilot continues to pose challenges because there are many GOC national, regional and local level entities involved in the process yet, there is no one entity charged with coordinating the income generation program. The Program is working with the Tolima government to create a coordinating committee (1.2.3.e).

##### **Eighth Quarter Priorities**

In Q8, the Program will provide special assistance to INCODER to finalize its reform and implement its regional strategy (1.2.3.d). The Program will also focus on working with the DNP to carry-out a baseline analysis for the Chaparral income generation pilot (500 families) (1.2.3.e). The Program will

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<sup>3</sup> The GOC originally called its regional rural development strategy "Rural Development Areas," however has now renamed this strategy "Rural Development Programs with a Territorial Approach (PDRET)."

continue to support the LRU's recruitment process and its coordination with the Victims' Unit (*I.I.I.c.*), as well as the design and regional implementation of a security protocol in at least two focalized areas (*I.I.I.d.*).

### Windows of Opportunity

In Q8, the GOC will initiate the award of compensation to victims as described in the Victims' Law. Average monetary compensation will amount to US \$12,000 per victim but in some cases ranges as high as US \$340,000. In order to comply with the Victims' Law, the GOC is obligated to provide comprehensive assistance to victims. As such, it is critical that the GOC provide complementary livelihoods assistance to these victims, including an income generation path. Therefore, the Public Policy Program pilot in Chaparral has the potential to be a replicated model through the country.

## PILLAR 2: VICTIMS' POLICY

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The Victims' Policy Pillar provides technical assistance to the Government of Colombia (GOC) in relation to the implementation of the Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law). It aims to improve the government's institutional capacity to provide emergency relief and integral assistance and reparations to victims, including Internally Displaced Persons (IDPs). The Program ensures that GOC programs invest in the improvement of public service delivery at the local level by providing recommendations on how to develop an effective territorial approach.

Specifically, in Q7, the Program's support to the GOC focused on the preparation of a National Council on Social and Economic Policy (White Paper) (CONPES) document to adopt the National Plan for Victims' Assistance and Comprehensive Reparations and on the definition of the *Single Route for Comprehensive Assistance & Reparations*. The CONPES establishes goals for the National Plan, as well as a monitoring and evaluation mechanism for implementation. Likewise, the Program promoted the creation of Regional Centers for Victims' Assistance and the design of policy instruments to ensure a flexible government response to victims' needs. The Program also continued supporting strengthening of the Special Administrative Unit for Integral Victims' Assistance and Reparations (Victims' Unit) through the development of a communications strategy regarding victims' reparations, as well as a personnel selection process (professional and technical staff).

In Q8, the Program will focus its efforts on supporting GOC approval of recommendations made to determine when the victims' condition of vulnerability ceases, and on the institutional strengthening of the Victims' Unit. The Pillar will also work with the Victims' Unit and the President's Office to approve the Unit's communications' strategy. The Program will also continue work on a USAID/GOC requested document that will provide recommendations on policy, strategy, and operations (national and territorial) to guarantee the harmonization of victims, consolidation and land restitution policies.

### Links with other pillars and USAID Programs

This Pillar operates in close association with the Consolidation and Land Policy Pillars:

*Land and Consolidation Policy Pillars:* In Q7, the Victims' Policy Pillar team worked closely with Consolidation and Land Policy teams to develop a document (requested by USAID) that identifies key links between the three policy areas. This document will make recommendations to the government, and to the USAID Mission, to enhance coordination and effectiveness between the three policy areas.

## Major Accomplishments

**National Plan for Victims' Assistance and Comprehensive Reparations CONPES approved.** On May 30, the National Council for Economic and Social Policy issued CONPES 3726 on the National Plan for Victims' Assistance and Comprehensive Reparations received approval. It includes guidelines, a goal-oriented action plan, budget and monitoring and evaluation mechanisms.

This instrument is the result of an important harmonization activity carried out between the entities that form the National System for Victims' Assistance and Comprehensive Reparations (SNARIV). The Program supported the drafting of the CONPES in the following manner: 1) Developed a methodology to construct the CONPES (including preparing a working group/subcommittee agenda to produce inputs to the CONPES); 2) Supported the preparation of the chapter on context; 3) Supported the preparation of the chapter on characterization of the population; and 4) Provided inputs derived from the study of how to make the government's offer more flexible. In particular, the Program introduced specific recommendations for policy and policy instrument adjustments to be made to guarantee a flexible response to victims' needs in the areas of housing, land, income generation, psycho-social assistance and nutrition. The CONPES establishes 24 high-level goals with respect to victims' assistance and reparations and poses 11 goals related to differential focus. The document will provide implementation guidance for 37 public institutions over the next 10 years.

## Results, Milestones and Activities

### 2.1 Victims' Law institutions designed

Accompanying the Government of Colombia (GOC) in creating and mobilizing the institutions responsible for implementing the Victims' Law is a top priority for the USAID Public Policy Program. In addition to supporting the creation of the Social Inclusion Sector (headed by the Administrative Department of Social Prosperity (DPS)),<sup>4</sup> the Program has focused on the creation and provision of on-going support to the Victims' Unit. In Q7, the Program intensified these efforts via the following activities:

#### 2.1.1 Design of Department of Social Prosperity (DPS)

##### 2.1.1. b. Harmonization of DPS activities

**DPS now has information on target population and its needs.** The Program finalized the first phase of assistance to the DPS via an analysis of territorial demand for public services with the intention to focus and prioritize public service delivery at the local level. Furthermore, the Program collected population data via household surveys that helped fill information gaps relevant to assistance provision. As a result, the DPS now possesses information related to the size of the population, its location, and potential service demand. The Program found that (among the population with the highest incidence of poverty, IDPs, and minors)<sup>5</sup> the municipalities with the greatest demand for services are also the cities where there is greatest supply: Bogotá, Medellín, Cali, Santa Marta, Cartagena and Barranquilla. As a result of the study, the DPS has the inputs needed to focus the entity's resources.

In Q8, the Program will analyze DPS services and provide recommendations to improve programs to ensure they are pertinent and adequate to meet the needs of the population.

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<sup>4</sup> The Program continues to provide technical assistance to this institution.

<sup>5</sup> The DPS specifically serves the mentioned populations (impoverished, IDPs and minors).

**Victims' Unit strategic plan in place.** In accordance with the Year 2 Work Plan, in Q7 the Program supported the Victims Unit (one of the institutions that form part of the Department of Social Prosperity (DPS)) in designing its strategic plan. This will guarantee that DPS services meet the sector's objectives and the target populations' needs. The Victims' Unit Strategic Plan (2012–2014) adopted 15 strategic projects that formed the basis of CONPES 3726, and the activities under implementation by the Unit. This work culminated a national-level workshop to present the Unit's priorities, goals, actors, and implementation methodology and timeline to the Unit's managerial team and 20 territorial offices.

***Policy Instruments delivered:***

- 2012–2014 Victims' Unit Strategic Plan
- Input to the CONPES Document 3726

## **2.1.2 Design of Victims' Unit**

### **2.1.2.a. Staff selection process**

**Victims' Unit in process of filling 550 positions.** The University of Pamplona, renowned for its experience in personnel selection processes for public entities, was selected in Q7, to carry-out a process for the Victims' Unit. In Q8, when the composition of the Unit's personnel plant is finalized, the University will proceed in filling fill nearly 550 positions through public competition, guaranteeing transparency and the selection of highly qualified personnel. The University will ensure a transparent and high quality process by ensuring compliance with Colombian contracting law and international standards.

### **2.1.2.b. Inclusion of cross-cutting subjects into processes and programs inside the Victims' Unit**

**Differential approach study in process.** In Q7, the Program initiated a differential approach study, reviewing how gender, ethnicity, disability, and victims' participation can be incorporated into and present in the Victims' Unit processes and the development of new activities. Results of this study will be delivered to the Victims' Unit in Q8, permitting the Unit to adjust its programming in an efficient way to meet victims' needs. The study's methodology (determined in Q7) includes victims' direct participation in the study via surveys. Additionally, Unit high level operational and technical managers were included in the study to ensure future buy-in.

### **2.1.2.d. Communication strategy**

**Victims' Unit communication strategy in development.** In Q7, the Program supported the Victims' Unit to initiate the development of its communication plan. Four strategic messages were developed and, based on the Unit's feedback, a general approach to conceptual and visual focus was selected. The four messages selected were: (1) *What is the Unit and what does it for?*, (2) *What is a victim?*, (3) *What should a victim do?*, and (4) *Where do we attend victims?*. During Q8, the final version of the media messages and will be delivered to the Victims' Unit. The Unit will proceed (without further Program support) to implement the strategy on the national-level (printed material, radio announcements, websites, among others).

***Policy Instruments delivered:***

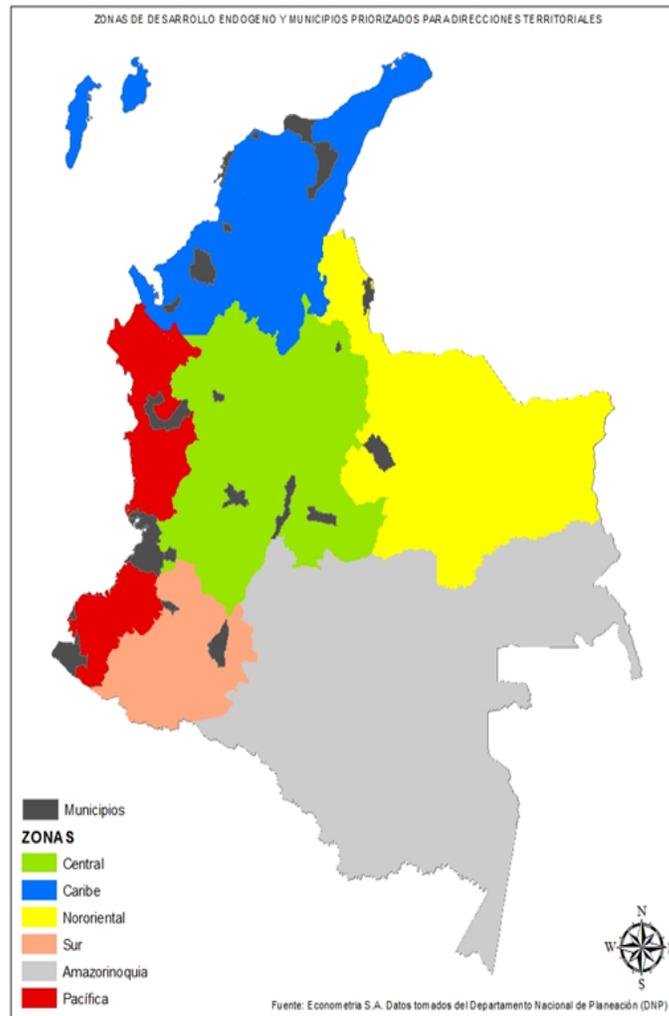
- Victims' Unit communication campaign approach developed.

## **2.1.3 Design of Regional Victims' Assistance Centers**

**2.1.3. a. Victims’ Unit Regional Presence**

**Studies for Regional Assistance Centers in place.** As part of the Program’s assistance on the institutional design of Victims’ Unit Regional Assistance Centers, in Q7, the Program prepared a technical study detailing three important inputs for the creation of these centers:

- i. *Recommendations for the centers’ geographic location.* As a result of the Program’s study, the Unit identified the first 27 Regional Center locations and used the study to defend its decision with the Public Defenders System.
- ii. *Regional Center Types.* The Program recommended the Unit manage four types of regional centers based on factors such as the concentration of victims in a territory, historic demand for services, and capacity of local entities.
- iii. *Minimum requirements for institutional presence.* Under the Victims’ Law the Regional Centers must facilitate the presence of national-level entities at the local level. The Program analyzed, based on the local population, the need for physical or virtual presence of sectorial entities, and made recommendation on implementation methodology to ensure a differential approach to meet the needs of ethnic and/or other disadvantaged groups.



In Q8, it is *Locations for 27 Regional Assistance Centers (Victims’ Unit) Map*  
 Source: USAID Public Policy Program

expected that this

accompaniment will be completed with an analysis of the personnel required in the centers (including their professional profiles) and a proposal regarding minimal physical infrastructure standards, and the type of attention to be provided to clients, in accordance with the work plan established need to design mechanisms and procedures to implement interagency coordination between the Victims' Unit and other GOC agencies at the national, departmental and municipal level.

***Policy Instruments delivered:***

- Victims' Unit Regional Centers Diagnostic Document

## 2.2 National Plan Victims' Humanitarian Assistance and Reparations

*The Program is supporting the GOC to effectively implement and put into practice the legal framework for victims' assistance and reparations. During Q7, the Program concentrated its technical efforts on supporting the approval of the CONPES 3726 document. See Major Achievement section of this document.*

*One of the most crucial aspects of the Victims' Law is its implementation at the local level. Colombia is a country with a very low institutional capacity in its municipalities, a factor which puts the impact expected from institutional and legal reforms at risk. During Q7, the Program championed the revision of 57 development plans, encouraging local governments to put territorial level commitments established in the Victims' Law into practice for the coming three years.*

### 2.2.1 National Plan for Victims' Reparations in place

#### 2.2.1.c. Determining when the condition of vulnerability for victims ceases

**Criteria for ceasing condition of vulnerability delivered.** The second week of April, the Program delivered to the GOC, the indicator to determine when victims' vulnerability ceases. This is a fundamental aspect of victims' assistance policy. This indicator allows the government to objectively determine when victims are ready to transit to the next level (i.e., when assistance should end). In Q8, the Program will initiate discussions with the GOC in order to solicit approval of the deliverables (conceptual framework and monitoring tools).

***Policy Instruments delivered:***

- Document with indicator for determining when vulnerability ceases.

#### 2.2.1.d. Harmonizing State services and making them more flexible to meet the needs of victims

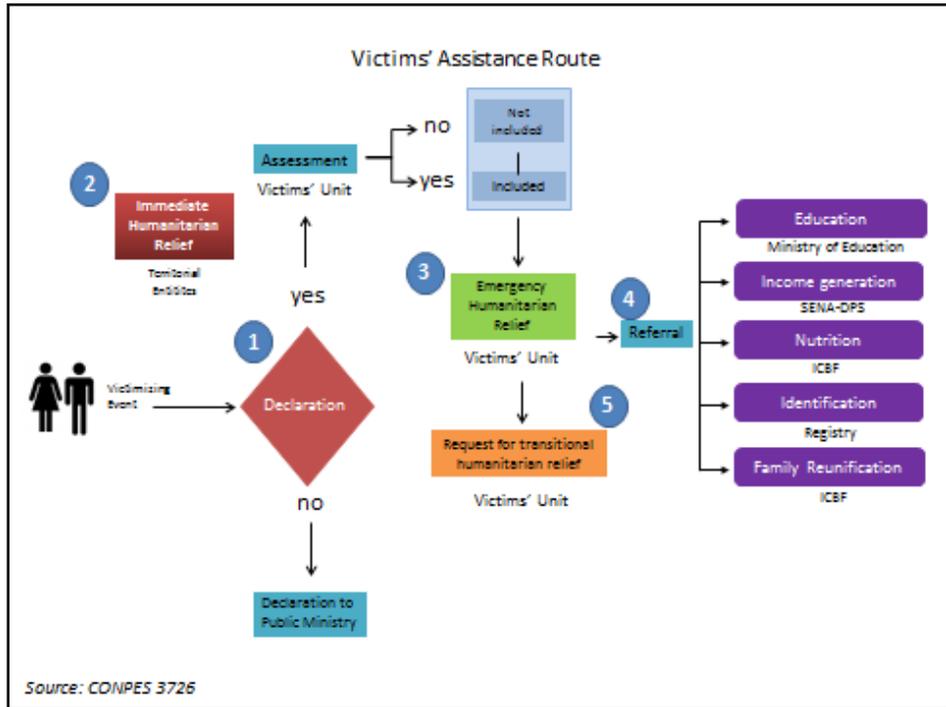
**Access barriers analyzed.** This quarter, in coordination with the Victims' Unit and the National Planning Department, the Program delivered an analysis of the main barriers affecting victims' access to public services with regards to housing, land, income generation, food and psycho-social therapy.

Study findings indicated that there are common access barriers that impede implementation and the following adjustments are needed: 1. Information systems/mechanisms to allow the GOC to plan, monitor, and evaluate implementation; 2. Mechanism to prioritize the most vulnerable people in order to provide to attend them first; 3. Sectorial coordination to synchronize services and attend the same families/groups at the same time; 4. Spread information to victims regarding rights and how they are accessed; 5. Psychosocial assistance present in all services.

As a next step, the Program will present findings to the GOC in order to define an action plan and identify priority issues in order to initiate the necessary reforms for the next year.

**Single Route for Comprehensive Assistance & Reparations in development.** The Victims' Law calls for

the need to develop a *Single Route for Comprehensive Assistance & Reparations* (see graphic); to date, progress has been made in regulating the Law. In accordance with the Year 2 Work Plan, the Program has provided support to operationalize the *Single Route* (preparing a concept document), launching the route, and monitoring of the route in order to then adjust it. As a result, the GOC will have a mechanism to that will coordinate and



harmonize the State's response as defined in the National Plan for Victims' Reparation.

The Program will produce a conceptual document (consisting of the structure of the single route) and two documents (guidelines/manuals): one document is destined for public officials that provide orientation, assistance and help to victims, and the other document is for victims' use. The conceptual document will be delivered in Q8.

In Q7, the Program accompanied the government in launching the Individual Reparations Program in the city of Medellin. An evaluation of the implementation of this program has positive findings. However, some issues were identified and should be remedied immediately to ensure the program's success (reaching 130,000 victims in 2012).

**Policy Instruments delivered:**

- A draft document with recommendations for a more flexible response to victims' needs.
- Policy manual for the Single Route for Comprehensive Assistance & Reparations.

**2.2.2 Design of regional reparations plans**

### 2.2.2.a. Regional action plans

**Territorial entities will have updated guide to design regional action plans.** In Q7, the GOC made headway on its intention to work with territorial entities on the construction of regional plans for victims' assistance. It is worth noting that the Program's "Guide for the Design of Action Plans" is currently being updated to accommodate new measures adopted by the CONPES 3726 document; it will soon be published for massive distribution.

### 2.2.2.b. Review of regional development plans

**Victims' Law obligations included in 58 local development plans.** In Q7, 58 local development plans from GOC and USAID prioritized zones were reviewed (46 municipalities and 12 departments). While the Program's involvement concluded in Q7, technical recommendations ensured that departments and municipalities will heed Victims' Law implementation obligations over the next three years.

#### *Policy Instruments delivered:*

- 58 documents that contain recommendations for local development plans and 58 evaluation matrixes for such plans

## 2.3 Victims and civil society stakeholders participate in the implementation of the Victims' Law

*The Public Policy Program's approach to public policy design involves victims' participation to identify the most efficient ways of putting assistance and reparations measures into practice. The Program will assist the GOC in developing a strategy to enhance the participation of conflict-affected populations in the policy making process.*

### 2.3.1 Victims and stakeholder participation in policy design

#### 2.3.1. a. Participation in Victims' Law regulation

In Q7, the Program carried out semi structured focus groups with 10 representative victims to understand their assessment of the integral rehabilitation process.<sup>6</sup> The victims' were able to contribute their vision, perception and understanding of what they hoped to receive in terms of assistance and reparations from the State. In particular, their inputs supported the notion that psychosocial support must be a crosscutting concept in all GOC assistance and reparations services. Victims' Rehabilitation is one form of reparation rooted in the Victims' Law; it seeks to ensure that victims receive integral treatment that meets their needs, interests and preferences. Focus groups were essential in defining the recommendations made to the GOC in the context of the aforementioned study on making state services more flexible to meet victims' needs.

#### 2.3.1. b. Participatory approach in functioning of the Victims' Unit

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<sup>6</sup> Rehabilitation is one of the forms of reparation included in the Victims' Law. It includes all the strategies, plans, programs and actions, (legal, medical, psychological and social), directed towards the restoring the victim's physical and psychosocial condition. One of the measures used for rehabilitation is psychosocial support.

The Program has initiated the preparation of the study to integrate a participatory approach in the functioning of the Victims' Unit. The resulting model for participation will be delivered to the GOC at the beginning of Q8.

***Policy Instruments delivered:***

- 1 Focus group with victims for the rehabilitation issue, a proposal to study differential focus and participation.

**Pillar Challenges**

The Program will support the design of a “Plan for the correct investment of compensation funds” to be implemented by the Victims' Unit in order support individuals and families in the adequate use of their reparations funds, with the hopes that it results in a positive impact on their lives. The program aims to offer socio economic stability to victims with emphasis on income generation and access to housing. It is challenging to establishing concrete opportunities for access to financial services that will permit productive endeavors, or housing acquisition, because many of these families do not have collateral or stable businesses (*these activities will contribute towards the following Work Plan obligations: 2.1.1.a., 2.1.2, and Supporting Activity 2.1.3.a.*).

On the other hand, reaching a political consensus between the entities involved with respect to the adoption of an index to determine when victim vulnerability ceases is a challenge. Any decision will have a fiscal, operative, and political and management impact on the government. Therefore, it will be of critical importance for the Program to stimulate extensive discussions revolving around the proposal, incorporated in the Victims' Law and in constitutional court rulings.

**Eighth Quarter Priorities**

- Finalize process for Victims' Unit personnel selection (*2.1.2.a.*).
- Deliver final product for the development of Victims' Unit Regional Centers (*2.1.3.a.*).
- Development of protocols, manuals and paths (routes) for all assistance and reparations measures and ensure implementation with a crosscutting psycho-social component (*2.1.2.b.*).
- Assistance in the adoption and approval of the instrument that stipulates when vulnerability ceases and make recommendations for a more flexible service offer response (*2.2.1.c.*).
- Design of the Victims' Unit communication campaign (*2.1.2.c.*).
- Consultation for the differential focus and for victims' participation (*2.3.1.b.*).

**Windows of Opportunity**

The Program is carrying out a study to identify potential linkage between the victims', land and consolidation policies. This represents an important opportunity to generate alliances between Colombian institutions with the potential to produce positive results regarding the issues surrounding policies related to victims of violence. Also, the analysis will potentially stimulate additional discussions that will nourish the relevance that victims' issues represent within USAID cooperation in Colombia. The study serves as an internal strategic analysis and dialogue process that will most certainly generate favorable conditions for the operation and design of policy.

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**PILLAR 3: CONSOLIDATION POLICY**

Program interventions to assist the Government of Colombia (GOC) in revising and improving the effectiveness of the National Consolidation & Reconstruction Policy (NCRP) focus on removing the following constraints: lack of inter-agency coordination at the national level; lack of clarity regarding the relationship of consolidation policies to other national policies (e.g., education, health, etc.); weak presence of the national, regional and local government at the territorial level in target zones; the relative degree of capacity of territorial organization and leadership and; regulatory constraints to rapid disbursement of funds in support of consolidation policies in target zones. An additional barrier to effective implementation is that some regions are moving ahead with their own strategies (that are not aligned with those of national policy) causing disconnect between the national and territorial levels.

Since the Special Administrative Unit for Territorial Consolidation and Reconstruction (Consolidation Unit) was created in January 2012, the Program has worked to strengthen its institutional capacity and improve its coordination with other GOC entities. In Q7, the Program supported the development of action plans for each of the Unit's departments; the plans defined objectives, strategic priorities, goals, and a monitoring and evaluation system that will help the Unit to make strategic decisions.

The process of supporting municipal and departmental development plans in consolidation zones also came to a close. This process, which was implemented along with the National Planning Department, the Consolidation Unit, and USAID regional programs, allowed for harmonization of development plans and the Regional Consolidation Action Plans.

In Q8, territorial entities in consolidation zones will need intensive support to develop multi-year investment plans and will need assistance in negotiating the inclusion of regional development strategies such as Rural Development Programs with a Territorial Focus (PDRET) and *Contrato-Plan*, as well as in the formulation of related projects.

### **Synergies with other pillars and USAID Programs**

The Pillar operates in close association with the Victims' Policy and Land Policy Pillars in:

*Victims' and Land Policy.* In Q8, the Program will have the results of the aforementioned study on harmonization of victims', land and consolidation policies at the territorial level.

### **Major Accomplishments**

**National Consolidation Plan commits 7 times more funding to consolidation zones.** The Consolidation Unit has succeeded in committing national-level funding for the National Consolidation Plan. The Public Policy Program initiated support for the plan's strategic revision in 2011; this process defined budget projections, some of which have been confirmed by the sectors in the past months. To date, US \$922 million has been committed by 24 national-level entities for the support of the consolidation plan in the 51 target municipalities. This does not include financial support from governors, mayors, or royalties. The majority of these funds will be spent in 2013. This represents a 700% increase over average annual spending on these zones between 2009 and 2011.

**Municipal and departmental governments complete their development plans.** Under the coordination of the Public Policy Program, the National Planning Department (DNP) and USAID's regional operators, assisted local governments in the formulation of municipal development plans that consider consolidation policy in consolidation municipalities, as well as in some departments (Tolima, Bolívar, Meta and Caquetá). These local plans will be used as regional planning tools for the next 3 years; this exercise provided the opportunity to include priority policies such as victims, rural development, land

and access to financial services in the development plans. The technical assistance provided by the program in close coordination with other USAID strategic partners was carried out between February and May; the DNP provided 100 advisors to cover 500 municipalities while USAID provided 43 advisors to cover consolidation municipalities (47 municipalities and 11 departments). Similarly, 50 of the 51 municipal Councils approved the development plans for 2012-2015.

This important activity has resulted in additional value-added results:

- Validation and alignment of regional consolidation plans with development plans
- Generated short and long-term work agreements between the National Planning Department's Local Capacity Generation and Strengthening Program and local authorities;
  - Building of trust between municipal and departmental administrations, USAID regional implementers and regional Consolidation Unit offices to carry out joint activities to strengthen local institutional capacity.
  - Improved information and knowledge for the local administrations with respect to national government offer and cooperation regarding institutional strengthening, technical assistance and training at the territorial level.
  - The Public Policy Program supported the design and implementation of the DNP's Local Capacity Generation and Strengthening Program, and supported the CONPES that will establish goals for the Local Capacity Generation and Strengthening Program and the method to finance it (CONPES to be signed). The Program also supported the GOC in preparing a request for a World Bank credit to provide complementary financing.

## Results, Milestones and Activities

### 3.1 National Consolidation Policy (NCP) Framework revised

*In accordance with the Year 2 Work Plan, the Program support to the GOC for follow-up activities for the National Consolidation and Reconstruction Policy (NCRP), which included: supporting NCRP harmonization with sector-specific plans, finalizing the NCRP CONPES document, and socializing the CONPES content among stakeholders such as the DPS, Ministries of Defense, Justice, Interior, Agriculture and Rural Development, Education, Health, Labor, and 10 other national-level public institutions.*

#### 3.1.1 Revised NCP Framework

##### 3.1.1.a. Sector action plans for consolidation zones:

Currently, via technical assistance to the Consolidation unit in defining activities and budget, the Program is supporting the preparation of sectorial action plans, based on the following: 1) Agreements and commitments resulting from the strategic revision of the NCRP (completed within the first semester of 2011); 2) Budgetary commitments acquired by different sectors (education, transportation, etc.) to elaborate the CONPES consolidation document. These plans will be completed in Q8 and will form the basis for adopting and making State service offers more flexible for implementation in consolidation zones.

##### 3.1.1. b. Draft CONPES document socialization:

**Preliminary budget commitments for Consolidation CONPES: US \$922M.** The National Consolidation Policy CONPES Document (white paper) has not yet been issued due to the extensive revisions that stakeholders have requested. The Public Policy Program has used this opportunity to strengthen the document in relation to victims' assistance and reparations and land restitution through more than 40

new comments and inputs to the six chapters of content and its matrix of objectives and responsible parties. Additionally, each Ministry is providing final feedback on the document and confirming budget allocations. The success of these investments will depend on the quality of the aforementioned sector action plans (*Work Plan Activity 3.1.1.a*). It is expected the CONPES will be ready for GOC approval in Q8.

Although the CONPES has not yet been approved, there are preliminary budget commitments of approximately US \$922M.

### 3.1.2 Regional Consolidation Action Plans

#### 3.1.2. a. Regional Consolidation Action Plan methodology:

During Q7, implementation of the methodology to design Regional Consolidation Plans was initiated in all targeted consolidation regions. The construction of the methodology is a dynamic activity, and over the course of the quarter the Program continued to improve on the instrument. In order to validate the effectiveness of the instrument, the Program worked with the Consolidation Unit to review implementation of the methodology; the first version of the action plans were reviewed in order to ensure that the plans are harmonized across all zones in terms of strategy and the level of detail of the planned activities. This exercise will continue through Q8 and Q9.

#### 3.1.2. c. Harmonization of action plans with development plans:

**Alignment achieved in over half of local development plans.** In order to support harmonization of the Regional Consolidation Action Plans with local development plans, the Program, during Q7, conducted a comparative study of the development plans delivered to Municipal Councils and the Departmental Assemblies on March 29 versus the versions delivered on May 30. It was found, in nearly 50% of the plans delivered in May, that there is indeed alignment with regional consolidation plans. The percentages of alignment vary according to the security and institutional presence achievements in each zone (in other words, the Unit's indicator for "level of consolidation"). It was found that the Program (jointly with DNP and other USAID operators) was highly influential in ensuring that the final versions of the development plans coincided with the National Policy for Territorial Consolidation.

In addition, the Program analyzed the technical assistance factors contributing to the development of successful plans. Thirty-six of 46 municipal and department consultants were interviewed to establish the most relevant variables related to harmonizing the plans and strengthening local administrations: 1) building trust; 2) coordination among advisors, and 3) timely access to information. It is important to apply these factors towards future territorial support processes (provided by local government and USAID regional programs) in order to ensure local government feedback, improve in situ accompaniment, and to define the methodology to implement with each territorial entity.

#### ***Policy Instruments delivered:***

- Input for the municipal and departmental development plans in consolidation zones in relation to victims, land restitution, rural development and territorial consolidation.
- Guidelines to ensure inclusion in development plans of prioritized projects that will have Access to compensation funds and to the General System for Regional Development Royalties.
- Alignment of municipal and departmental development plans with regional consolidation plans.

### 3.1.3 Design of interagency and inter-governmental budget and coordination mechanisms

#### 3.1.3. a. Design of coordination mechanisms:

**National and regional agreements will coordinate rural development efforts in Consolidation zones.** The Program has provided technical assistance to the Consolidation Unit in developing an agreement with INCODER to coordinate rural development efforts in consolidation zones. While the agreement has not yet been signed, in some areas the regional offices of both institutions are already informally working together under these parameters. The Consolidation Unit, aware that interagency harmonization improves implementation of consolidation, victims and land restitution policies, has made progress in aligning its policies with those of the Victims' Unit and the Land Restitution Unit.

The Program has initiated an evaluation of the linkage level existing between victims' assistance, land restitution and consolidation policies in order to improve coordination between the three units (Land, Victims' and Consolidation) at the national and territorial levels. The following progress has been made to date: i) preliminary analysis of the impression that officers of the three units and of USAID have regarding difficulties, opportunities and linkage points that should exist; ii) identification of causes of victimization in consolidation municipalities; iii) a discussion panel with experts on the results of the analysis. In Q8, the Program expects to conclude this analysis and, as a result, issue a proposal on inter-Agency coordination mechanisms and joint work protocols for the 3 policy areas.

Additionally, The Program conducted a workshop with public officials from the Land Restitution and Consolidation Units to improve coordination between these Government Agencies - in those territories where their actions coincide and there is presence of the USAID programs, - to identify points of agreement and disagreement and to determine intervention mechanisms in the field.

#### 3.1.3.b. Guidelines to customize sectorial services:

**Guidelines will help local governments to respond to citizen needs in Consolidation Zones.** In Q7, the Program developed guidelines to make the local government service provision more flexible (mechanisms to speed the execution of public resources and to diminish access barriers). With these guidelines, the Generation and Strengthening of Capacities of Territorial Entities Model (currently in use by the DNP) will be adapted so that it may become a model for improving local governments' capacity to respond to citizen needs. Therefore, the Program is supporting the development of a coordination mechanism between local Governments and the Consolidation Unit.

In Q8 and Q9, the Program will work along with Ministries to prepare flexible sectorial guides and to adapt their range of services, and will work on finalizing a methodology for customizing income generation services for victims and rural poor in consolidation zones (Chaparral is the first pilot) (see *1.2.3.e. and 1.2.4.*).

### 3.2 Institutional structure designed to implement the NCP at the national and regional level

To succeed, NCRP implementation needs a strong state structure that can determine and understand the demand for state services in priority areas and, is capable of harmonizing these services to effectively reach the territory. Additionally, mechanisms must be established to promote development in these areas through private investment and to ensure economic sustainability in the region. NCRP implementation also requires that the state promote and accompany the priority zones in a process of

strengthening local institutions and developing social capital to ensure sustainability in the development process in the region.

### 3.2.1 Design of Consolidation Unit

#### 3.2.1. b. Comprehensive Strategic and Tactical Planning Process

**Tactical Plans in place for each technical area with in the Consolidation Unit.** The Program has been supporting the Consolidation Unit's institutional strengthening process, particularly the strategic planning process. In Q6, the Program supported an institutional mapping process and in Q7 designed Action Plans for Tactical Planning for each technical area. This exercise was fundamental in determining each area's role and to prioritize actions, products, responsibilities, stakeholders, goals and performance dates of each Office in accordance with the Strategic Map<sup>4</sup> and the NCRP. The Planning Office will monitor the activities of the Unit through an on-line monitoring system which will become a key instrument to strategic decision making. Pending tasks for future quarters include the definition of the Unit's staff roles, and the development of the structural and strategic plan for the Unit's Directions (technical departments).

#### *Policy Instruments delivered:*

- Document defining the roles and responsibilities of each technical area within the Consolidation Unit
- Action Plans (including objectives and deliverables of each technical area, the General Secretariat and the Unit's planning office.

#### 3.2.1.e. workshops

The Program conducted the 4 workshops included in the work plan, plus 2 additional workshops for strategic needs. In the course of the assistance provided to design the Consolidation Unit, it became clear that 2 workshops were critical in order to strengthen the Unit's overall management ability: Tactical Planning Workshop for the Advisory Planning Office and Tactical Planning Workshop for Linkage Management.

- Consolidation Unit Role Definition workshop with the participation of general management, technical departments, Secretary General, and the planning and communications offices.
- Consolidation Unit General Secretary tactical planning workshop.
- Tactical Planning workshop for the advisory planning office.
- Tactical Planning workshop for linkage management.
- Tactical Planning Workshop for the Regional Coordination.
- Tactical Planning Workshop for the Illegal Crops Program.

### 3.2.2 Design of Consolidation Fund

#### 3.2.2.a. Structure flexible budgeting mechanisms:

**Rapid Response Program created as a public investment instrument.** As the result of delivering a technical document with recommendations on alternatives for structuring a flexible consolidation budgeting mechanism for timely regional response, in Q7, Resolution 284 of 2012 was issued. It created

the Consolidation Unit's Rapid Response Program (RRP) as a public investment instrument. The operations model is based on flexible, timely actions that respond to citizen demand by resolving basic needs; the instrument works to build-trust between the State and communities living in consolidation zones.

Rapid Response Program resources are destined for: transitional community assistance, social well-being, income generation and small/medium sized infrastructure projects in consolidation zones and areas with illicit crops. In order to guarantee quick response, the Consolidation Unit will implement its resources (approximately US \$15.5M) via Cooperation Agreements and Inter-Administrative Contracts with state entities.

***Policy Instruments delivered:***

- **Resolution 284 of 2012.** “By means of which the Rapid Response Program of the Territorial Consolidation Unit is created, and the Verification and Response Projects Committee is created.”
- As a complement to Resolution 284, document with the “Hiring modalities applicable to the execution of resources for implementation of Rapid Response Program.”

**Eighth Quarter Priorities**

- Initiate a municipal strengthening and coordination plan and procedures, together with the DNP, regional USAID Programs and the Consolidation Unit to (3.1.3.c):
  - Develop projects and create a municipal project bank Strengthen planning offices and support the development of local budgetary instruments (multi-year investment plans and annual operations plans for investment);<sup>7</sup>
  - Provide investment methodologies and guidelines to manage projects for the municipal, department and regional; and
  - Socialize the public-private partnerships regulation and provide technical assistance to promote them in consolidation zones.
- Support the Consolidation Unit in:
  - Regulation of the Rapid Response Program (3.2.2.a);
  - Designing the Consolidation Index (3.2.1.c);
  - Developing coordination mechanisms for work relevant entities in the territorial social inclusion sector (3.2.1.d, Support Activities 3.1.2.a. and 3.1.2.d).

**Pillar Challenges**

- Local implementation must be harmonized to ensure effective and efficient results. It is a challenge to coordinate with the Consolidation Unit and USAID regional programs to accompany consolidation municipalities so that they participate in regional development initiatives (PDRET, Contrato-Plan) and ensure they include consolidation issues.

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<sup>7</sup> This includes “budget frameworks” (as established by Law 819 of 2003). They are the territorial entities financial planning tools.

- In order to build confidence among the population in consolidation zones, the GOC needs a mechanism to rapidly respond to citizen needs. In Q8 the Program will support the implementation start-up of the Rapid Response Program.
- Implement monitoring and evaluation system in the Consolidation Unit, in order generate inputs for decision making and future policy adjustment.
- In order measure GOC impact of Consolidation policy implementation, the GOC must generate the first Consolidation measurement index.

### Windows of Opportunity

It is expected that the GOC may approve the Consolidation CONPES (3.1.1.b. and 3.1.1.c.) and sign the first Contrato-Plan (*Support Activity 3.1.h.*) and PDRET pilots (*Support Activity 3.1.i.*) in Q8, permitting the GOC to have a coordinated, sustainable response in Consolidation Zones.

- The approval of the CONPES to generate and strengthen institutional capacities for territorial development, allowing local governments to effectively plan and implement key policies and programs.
- Signing of the first Contrato-Plan and PDRET pilots, providing a model for coordination and financing between various levels of government and between sectors.
- The Development of multi-year investment plans and other local planning instruments offer the Consolidation Unit, and its regional offices, a mechanism for prioritizing regional investments that originate from different resource pools (national, departmental, and local budgets and royalties) in order to drive the PDRETS and Contrato-Plan.

## SUPPORTING ACTIVITIES CONTRIBUTING TO RESULTS

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The Program is supporting a number of cross cutting issues that are critical to the achievement of results in each pillar to ensure integration of policy implementation at the regional level: mechanisms for budgeting and coordination at the territorial level; sustainable livelihoods and access to finance; environment, biodiversity and climate change; and gender. Lessons learned from past reform efforts indicate that land reform, assistance to victims, and consolidation must be accompanied by simultaneous reforms in other areas to ensure effective and sustainable results for rural communities.

### *SUPPORT ACTIVITY 1. GENDER*

The USAID Public Policy Program supports the GOC in the inclusion of a gender equity focus in its political and institutional reforms by identifying how institutional and legal frameworks and policies encourage gender inequity and provides recommendations for reforms. The Program also supported a seminar on economy of care, “Bases for a new model for development with equity” and initiated work with the High Commissioner for Women’s Equity.

### **Main Achievement**

*See support for Rural Development Bill in section 1.2.1.e. “Strengthen gender focus in draft law.”*

*SUPPORT ACTIVITY RESULT 1.1: Identify How Current Institutional and Legal Frameworks and Policies Facilitate Gender Inequality or Fail to Address Gender Disparities.*

### **I.1.d. Policy coordination:**

**Land & Rural Development Bill support.** As previously mentioned, the Program supported the Ministry of Agriculture and Rural Development (MARD) to provide gender inputs for the draft Rural Development Law. This support was closely coordinated with the Office of the Presidential High Commissioner for Women's Equity.

The Program is in the process of initiating support for the High Commissioner for Women's Equity. Priorities, challenges and opportunities are under discussion with this office. In Q8 the Program will support the High Commissioner and the Victims' Unit in developing a strategic plan to include women's issues in the implementation of the Victims' Law, and to include gender issues in Public Policy Program-related programs and projects that are currently being implemented.

**A new equitable development model.** One of the main constraints to addressing gender disparity is the lack of available gender-specific information. The inclusion of gender initiatives in public policies requires an understanding of: women's and men's needs and realities, and the gap between the two, and how they use their time (including the time dedicated to caring for others).

In Q7, the Program, in coordination with the National Department of Statistics (DANE) and the Center for Social and Economic Investigation (CISOE), supported a seminar "Basis for a new equitable development model." The Seminar aimed to generate discussion among academics, government counterparts (including the High Commissioner for Women's Equity), civil society, and the United Nations on how traditional economic models can be changed to account for time women invest in taking care of others (economy of care). International lecturers provided information and reflections on how to strengthen public policy instruments with a gender focus. Participants gained a solid understanding of the concept of economy of care, and agreed that the next step is to analyze the upcoming DANE survey on how women use their time and how it influences the country's economy.

#### ***SUPPORT ACTIVITY RESULT 1.2: Reform Recommendations Provided That Promote Gender Equity in the Program -supported Policy.***

The Program worked with the Ministry of Agriculture and Rural Development (MARD) to provide recommendations to strengthen gender issues in the draft Rural Development Law in relation to land access, agriculture extension services, and income generation. See section 1.2.1.e. for details.

#### ***SUPPORT ACTIVITY RESULT 1.3: Gender Theme Represented in the Discussion Regarding Program-supported Reforms in Coordination with other USAID Programs and the GOC.***

In addition to providing recommendations for the Rural Development Law, the Program, in coordination with the Consolidation Unit, provided technical assistance regarding gender equity on the Consolidation CONPES. Specifically, the Program highlighted how conflict specifically affects woman and therefore consolidation must address their specific needs. Women need opportunities for participation that inspire their confidence in the consolidation process and need special mechanisms to overcome barriers to access to basic services (health and education). Also, consolidation indicators must be gender specific.

### **Window of Opportunity**

The Program has initiated a positive relationship with the High Commissioner for Women's Equity. The Commissioner is President's advisor on all gender-related issues. She has expressed her intention to work with the Public Policy Program in order to mainstream gender issues in Program-related policies and policy instruments. This work will initiate with full force in Q8.

### *SUPPORT ACTIVITY 2. ACCESS TO FINANCE*

In Q7, the Program continued to provide technical assistance to the Ministry of Finance (MOF), Banco Agrario, *Banca de las Oportunidades* (BDO), the Victims' Unit and the Consolidation Unit. The Program designed a pilot to promote e-transactions and the design of indicators for Colombia's first financial inclusion report, contributing to the expansion of financial networks. The Program also supported access to finance strategies for victims and consolidation municipalities, and the design of guidelines to reform the Agriculture Finance System (AFS).

In Q8, the Program will continue assisting the GOC in:  
Development of innovative financial networks (such as e-transactions in rural areas);  
Addressing bottlenecks such as liquidity management to facilitate the expansion of banking agents in rural areas;  
Implementation of strategies to expand financial services in consolidation municipalities;  
Promote financial inclusion for victims.

### **Synergies with other components and USAID Programs**

As access to financial services issues are crosscutting and their resolution is fundamental to advancement in other technical areas, Access to Finance carefully coordinates with each Program pillar:

*Land Policy Pillar:* In Q7, the Program worked closely with the Land Policy Pillar to reform the GOC's Agriculture Finance System (AFS) in order to promote the expansion of financial networks to rural areas and the development of agricultural financial services in response to growing demand. This work contributes to assisting small-scale, underserved farmers in generating licit livelihoods.

*Victims' Policy Pillar:* Access to financial services is essential for victims with restituted lands in order to finance income generation start-ups and to make full use of their restituted properties. In Q7 the Program developed a strategy to promote access to financial services for IDPs; this will complement GOC programs that focus on investment of reparations received.

*Consolidation Policy Pillar:* The Program is designing a comprehensive financial expansion program to generate sustainable livelihoods and income opportunities for those living in consolidation municipalities. Access to financial services contributes to the recovery of regions previously under control of illegally-armed groups.

### **Main Achievements**

**The GOC now has a mechanism to evaluate access to and use of financial services.** The Program worked with the GOC to design indicators that measure the impact of financial inclusion policies in the country. As a result, in Q7, the GOC launched its first Financial Inclusion Report which highlights two significant findings: i) in the last 5 years, although the indicator "percent of adult population with at least one financial product" went from 51% to 63%, with savings accounts as the main product, 57% of savings accounts are inactive because these products are inadequate and costs are high (commissions and

taxes), ii) most savings accounts have balances under US \$1,500 and are located in medium and large urban municipalities. These findings indicate the need for policies that increase coverage in rural areas and that develop tailor-made financial services for small agricultural producers and vulnerable populations.

**Strategy to facilitate access to financial services for IDPs was developed.** The Constitutional Court ordered the GOC to design a strategy for the effective enjoyment of rights of the displaced population (IDPs). This includes promoting income generation via access to financial services. The Program supported the National Planning Department (DNP) in the design of three strategies to meet this requirement. For those individuals that need to initiate an income generation activity, the Program proposed the development of IDP employment pilot programs with private companies and the creation of a public administration office that supports IDPs in the development of income generation projects. For those people interested in starting up a business, the Program proposed to reform the National Learning Service's (SENA's) *Emprender* Fund so that a specific percentage of this fund can be targeted for IDPs. Finally, for IDP micro entrepreneur with a functioning business, the Program proposed the use of guarantees assumed by the financial institution (the debtor will have no knowledge of the guarantee, thus avoiding the "moral hazard") to facilitate IDP's access to an initial loan. The Program also proposed the adaptation of the incentives already developed by BDO, such as the opportune payment incentive in order to target them for IDPs. These proposals were presented by the DNP to the Constitutional Court on May 31, 2012.

## RESULTS AND ACTIVITIES

### Support Activity Result 2.1: Financial Networks expanded to rural areas and consolidation zones

#### 2.1.1 Mobile Financial Services (MFS) and E-Money Developed

**Challenge Fund to promote E-Transactions designed.** The implementation of E-Deposits and E-Money requires the development of technology, networks and adequate financial products. As such, the Program's expert team proposed the design of a new policy instrument called a "Challenge Fund" to the Ministry of Finance and Banca de las Oportunidades to stimulate this development. It is a mechanism used to assign and disburse public funds in a transparent and efficient way; interested parties are invited to compete for a pool of funds that are assigned in accordance with the quality of the proposal.

In Q7, the Program reviewed international success Challenge Fund models from Africa and England, and one implemented by the Multilateral Investment Fund (FOMIN) (member of the Inter-American Development Bank Group) in Latin America to promote financial inclusion. The Program then advised the BDO on the design of this fund. In order to stimulate the development of technology and adequate products that support the implementation of the e-money law and electronic deposit, which was then approved by the BDO's board of directors with a pool of US \$1.6M. The Program then designed the terms of reference for the competition which will be launched in July 2012.

#### *Policy Instruments delivered:*

- One Policy Instrument: Financial Inclusion Report: May 31.

#### 2.1.2 Liquidity Management in Banking Agents (CNBs) Improved

##### 2.1.2.a. Improve liquidity management in rural areas

**Field study on liquidity management developed.** Banking agents have successfully expanded financial coverage to rural areas; however, this growth has generated high risks and costs of cash transportation

for banks, which has become an obstacle to further expanding this channel. The Program is providing technical assistance to the GOC to develop efficient liquidity management and clearing mechanisms to facilitate the expansion of financial services in rural areas. In Q7 the Program carried out field studies on cash management in four municipalities: Calamar (Guaviare), Pueblo Nuevo (Córdoba), Rovira (Tolima) and Bosa (marginal neighborhood in Bogotá). The results of and recommendations resulting from the study will be presented to the GOC in Q8.

## **2.2: Make available financial instruments tailored to the needs of population in rural and consolidation areas, victims, and vulnerable populations**

### **2.2.2 Agricultural Finance System (AFS) Improved**

#### **2.2.2.a. Assist the GOC in the reform of the Agricultural Finance System (AFS).**

**Diagnostic of Banco Agrario's governance.** *Banco Agrario* plays a key role in providing access to finance for agriculture in rural Colombia. However, its legal nature and operational procedures create bottlenecks which must be resolved to make the bank efficient and to have a greater impact in the rural sector. During Q6 and Q7, as per the Bank's request, in accordance with the Year 2 Work Plan, for technical assistance, the Program carried out a preliminary diagnostic of the Bank's governance situation (directly related to the sale of the bank's shares); however, this assessment was suspended, per the Bank's request, because President Santos did not authorize the bank to sell shares to private investors. Therefore, the bank requested the Program realign its support to implement a legal assessment regarding budgetary, contractual, and labor issues that could be improved. This support will take place in Q8.

### **2.2.3 Financial Inclusion for Victims of Violence**

#### **2.2.3.a. Facilitate financial inclusion for victims.**

**Support initiated for the Victims' Unit in the design of financial inclusion strategies.** The Victims' Law establishes the obligation to economically repair victims, as well as provide accompaniment in the use of these resources to improve their quality of life – be it in education, housing, rural property, or productive assets. The Law also requires that the GOC guarantee access to financial services for victims as part of an income generation strategy. It facilitates investment and adequate use of reparations funds, permitting the promotion of savings and access to credit.

In Q7, the Program initiated support to the Victims' Unit in the design of strategies to promote financial inclusion for victims and an adequate financial management of the reparations funds for minors until they reach 18 years of age. The most immediate task is to provide financial alternatives to victims of displacement and forced disappearance in Mampujan, San Cayetano and San Juan de Nepomuceno. The objective is to offer savings options to the 1300 families that will receive reparations for a total of USD \$17M; the GOC will also provide support to those families to adequately use their funds for education, housing, rural property or productive assets. Specifically, the Program is working the Victims' Unit and financial entities to: (1) hold a workshop to incentivize financial entities to participate in financial fairs for victims; and (2) design the fairs in which financial entities that have presence in the region (or nearby) offer services to the prioritized victims.

**Financial Inclusion Report released.** In order to properly understand the needs of rural populations and particularly victims, it is necessary that the country have a clear vision of how the country is meeting, or not addressing, the financial inclusion needs of its population. As such, the Program worked with the Financial Superintendence (FS) and BDO to review how internationally accepted financial inclusion indicators could be applied in Colombia. The report was released on May 31, 2012. The report addresses the two dimensions of financial inclusion: *access* and *usage*. *Access* refers to the ability to use available financial services and products from formal institutions (physical proximity, affordability) and *usage* to the actual usage of financial services/products (regularity, frequency). Having reliable and up-to-date financial inclusion data is critical for diagnosing the state of financial inclusion and producing evidence-based policy decisions. Based on this report, the GOC identified a large gap in access and usage for rural populations.

#### **2.2.4 Financial Products Expanded in Consolidation and USAID Afro-Colombian & Indigenous Program (ACIP) Municipalities**

##### **Strategy developed to expand financial services in consolidation municipalities.**

Illegal control of consolidation municipalities discouraged economic integration of these areas in domestic and foreign markets; local economies were kept in an environment of uncertainty, survival, and lacked the opportunity for financial accumulation, investment and savings. They now require economic reconstruction. Sustainable formal financial services require the presence of financial institutions, as well as the development of products tailored to the local population. Increasing the supply of financial services in consolidation municipalities will contribute to the consolidation process and its sustainability. During Q7, the Program provided technical assistance in:

- Inputs to municipal development plans for expansion of access of financial services.
- Inputs to new version of Consolidation CONPES regarding financial services.
- Support to Consolidation Unit in the design of a financial services strategy.
- Support to the CELI USAID programs for expanding access in targeted municipalities.
- Designed incentive scheme to encourage micro savings within vulnerable populations.

**Inputs to municipal development plans.** The Program proposed 4 strategies to increase the supply of financial entities with adequate products in consolidation municipalities: i) Strengthen mayors office's negotiation capacity with financial entities interested in managing municipal public resources by assigning the management of public funds to entities that offer to increase their presence in the zone, and provide additional, superior products; ii) Form strategic alliances with public and private entities to complement the financial services with non-financial services (health brigades, nutrition, recreation, etc.); iii) Support financial education programs, and iv) Form alliances with departmental and national government to insure zones against natural disasters.

**Inputs to Consolidation CONPES.** The Program contributed to the Consolidation CONPES, providing inputs to the strategy to expand financial services. The CONPES will be issued in Q8.

**Support to the Consolidation Unit.** The Program supported the Consolidation Unit in designing strategies to expand access to financial services in consolidation municipalities. The strategies include: increase presence of the formal financial system; incentivize the supply of financial products that meet the needs of the local population; and promote the development and sustainability of productive chains via credit. Banco Agrario plays a key role in this strategy, so the Program is supporting the Unit in negotiating a strategic alliance with the Bank, to increase the bank's presence and products in consolidation municipalities.

**Support to USAID CELI and ACIP Programs.** The Program continued to work with USAID CELI and ACIP implementers in Q7. In CELI North-South, the Program supported the development of a work plan, based in the results of the Diagnostic of Financial Services carried out by this regional program. The Program worked with USAID regional programs (CELI Central, Montes de María and ACIP) to design terms of reference for technical assistance to; (1) analyze access to financial services in priority zones, and (2) design a work plan to increase access in these zones. The Program also continued to look for strategic allies (financial entities) to support the expansion of financial services to these regions.

**Incentive scheme to encourage micro savings within vulnerable populations designed.** In 2009, BDO implemented a Savings and Credit Groups (SCG) pilot, which successfully encouraged savings among participants. This resulted in the accumulation of large sums of money (USD \$2,500 or more) in unsecured SCG savings boxes, thus creating risk of theft. The objective is to “graduate” these groups to the financial system by promoting the savings of SCG in a bank, where their savings will be safe. In Q7, the Program continued to provide related technical assistance which has consisted in an analysis of the situation (field study and discussions with financial entities) and identification of barriers to formal savings. As a result, the Program advised the BDO to undertake a market study and select an “operator” to design a graduation methodology and impact study. In Q8, MDO will open a call for proposals to invite civil society organizations to develop the graduation methodology.

***Policy Instruments delivered:***

- Inputs to Municipal Development Plans
- Inputs to new version of CONPES Document

## Challenges

***AFS Reform.*** The National Agricultural Lending System, created in 1990, is outdated and the agricultural conditions that operated at that time no longer exist. One of the GOC’s priorities is rural development and therefore, an effective agriculture finance system is required. The required reforms imply a modification and/or elimination of widely used policy instruments, such as subsidized interest rates and guarantee funds. Also, a redefinition of roles is required for institutions linked to agro financing.

***Access to finance for Victims.*** One of biggest challenges consists in generating access to financial services for victims. Since the population lacks permanent residency and stable income, and has abandoned assets and productive activities, it is difficult to access financial services such as credit. Financial inclusion is necessary to facilitate the successful reparations and land restitution processes for victims; it enables individuals with restored and formalized lands to maintain or initiate productive land use.

***Expand financial services in consolidation municipalities*** to facilitate the municipal economic integration with domestic and foreign markets, boost local economies, promote investment and facilitate the success of productive chains. The challenge is to expand access (credit, payments and transfers, savings and insurance) in municipalities where there is low financial presence, absence of land titles, presence of illegal groups, and poor infrastructure (mainly tertiary roads); in these zones the risks and costs are high for financial institutions.

## Eighth Quarter Priorities

In Q8, the Program will continue providing technical assistance to the GOC for expanding financial networks as well as financial products. Since access to financial services is a crosscutting issue, the Program will support BDO, MOF, and other GOC agencies to promote the implementation of policy instruments that facilitate the availability of financial services in rural areas (Land Policy Pillar), consolidation municipalities (Consolidation Policy Pillar and USAID Regional Programs), and for victims (Victims Pillar) and vulnerable populations and ethnic groups (USAID ACIP).

Main Q8 priorities include financial inclusion for victims of Mampujan, San Cayetano and San Juan de Nepomuceno, which will receive their reparations in August; the development of guidelines to reform the AFS and the launch of the “Challenge Fund” to promote E-transactions.

### ***SUPPORT ACTIVITY 3. LINKAGES BETWEEN GOVERNMENT LEVELS AND USAID IMPLEMENTERS***

#### ***SUPPORT ACTIVITY RESULT 3.1 Link Local, Regional and National Government And USAID Implementers***

##### ***Bring national level policies to the regions & strengthen local governments***

##### **3.1.c. Methodology to prepare National Development Plans:**

Between October 2011 and March 2012, the Program helped the DNP to prepare “Methodology Manuals for Management by new Mayors and Governors” in which there is a specific manual on how to prepare development plans. These manuals were essential tools for local government teams to include key issues in their development plans, such as land, victims and consolidation, and ensure municipal budget allocations for these policies and programs.

During Q6 and Q7, the Program’s expert team developed documents that provide inputs to restitution policies and land formalization, assistance and reparation for victims’, territorial consolidation and access to financial services, all critical issues to be included in the development plans.

##### **3.1.d. Support for decentralization processes:**

*Departmental and municipality regimes:* This quarter, the Program continued to assist the Government of Colombia in developing its decentralization plans. The Program worked with the Interior Ministry informing the congress and other interested groups about the departmental and municipality regime bills. Furthermore, the Program helped the Government to include articles dealing with the functions of the Departments and the Municipalities in the following areas: victims’ law, lands restitution and rural development. At the end of Q7, the municipality regime was approved by the congress, and it is now pending on the President’s approval while the Departmental Regime bill will continue its course through the legislative. In Q8, the Program will continue to assist the Government of Colombia with the approval of the Departmental Regime bill and will provide technical assistance with respect to victims, lands and rural development at the Departmental level.

*General Royalties System:* During Q7, the Program continued to support the Government of Colombia in putting into practice the General Royalties System; the Public Policy Program supported the development of a number of decrees and resolutions (*see below*). The policy instruments provide guidance on how to: i) evaluate, prioritize, make viable and determine the project’s convenience and opportunity; ii) approve investment studies and design hiring projects; and iii) determine who will execute the project.

The bill<sup>8</sup> was approved in May; in June the law was regulated the policy instruments named below, issued by the Management Commission of the General Royalties System (CR):

- Decree 1073: Establishes the criteria and the resource distribution requirements for 10% of the Regional Compensation Fund and the Territorial Pension Savings account, included in temporal paragraph 2 of article 361 of the National Constitution.
- Decree 1074: Establishes the proceedings and methods to be followed in transferring monies from the savings and Oil Stabilization Fund.
- Bill 1530 of 2012 by means of which the organization and functioning of the General Royalties System is regulated.
- Decree 1075: Regulates the organization and functioning of the Managing and Decision making Professional Associations, and its Technical Secretariat.
- Decree 1076: Regulates management of the Savings and Stabilization Fund of the General Royalties System.
- Decree 1077: Partially regulates Law 1530 of 2012 in regard to budgeting and other norms are issued.
- Resolutions 001 and 008: Internal regulation of the CR is adopted.
- Resolution 006: Establishes the general guidelines for formulating and filing investment projects to be financed with funding from the Regional Compensation Fund, the Regional Development Fund and with direct allocation of funds from the General Royalties System.
- Resolution 005: Establishes guidelines for managing the allocated percentage for the functioning of the Royalties General System.
- Resolution 004: Establishes the Managing and Decision making Professional Associations and their technical secretariats unique internal regulations.
- Resolutions 002 and 003: Establish regionalization with respect to how the General Royalties System is to function.

### 3.1.e. Policy framework for local governance/institutional strengthening:

**Municipal and departmental governments complete their development plans.** The Public Policy Program, the National Planning Department and USAID's regional operators assisted local governments in the formulation of municipal development plans that consider land, victims', rural development, access to financial services, and consolidation policy in priority municipalities, as well as in some departments (Tolima, Bolívar, Meta and Caquetá). This exercise provided the opportunity to include key policies in the development plans. The technical assistance was carried out between February and May; the DNP provided 100 advisors to cover 500 municipalities while USAID provided 43 advisors to cover priority municipalities.

In June, the consultant team conducted a study to diagnose the departmental and municipality management capacity in order to identify the main governance problems and to make recommendations as to how best to resolve them. They also identified projects in the development plans which could be financed through the General Royalties System.

See Consolidation Pillar Major Achievement section regarding the CONPES document for the *Generation and Strengthening of Institutional Capacities for the Territorial Development Program*.

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<sup>8</sup> Law 1530/2012 that regulates the organization and functioning of the General Royalties System.

In Q8, the Program will work closely with the DNP to develop guidelines for municipal and departmental governments in prioritized zones in regards to royalties projects management, operational planning, and project development.

### 3.1.f. 4 workshops

The Program participated in several territorial coordination workshops held between DNP municipal consultants' teams, USAID strategic partners, Consolidation Unit regional management offices and other participants in the consolidation zones.<sup>9</sup> These activities supported the elaboration of local development plans.

### *Mechanisms for budgeting and coordination at the territorial level*

Since 2011, the USAID Public Policy Program has provided technical assistance to the National Planning Department and the Ministry of the Interior in the design of *Contrato-Plan* and its inclusion in the National Development Plan Law, the Royalties Law, the Territorial Administration Law, and the Land and Rural Development Bill. The Program is also supporting territorial entities in implementing the first three *Contrato-Plan* pilots that will propel territorial development including such policies as Rural Development, Consolidation and Ethnic Territories.

As a result, in April 2012, Decree 819, was adjusted and issued. Through this Decree, norms, which regulate the development and implementation of *Contrato-Plan*, were issued. Within the next two quarters, the Program hopes to regulate operational aspects of *Contrato-Plan* and define the steps that need to be taken to implement the contract plans.

### 3.1.h. *Contrato-Plan* pilots

During this quarter and under the *Contrato-Plan* pilots, the Program supported the planning, negotiation, and buy-in processes between the regions and national entities. The efforts focused on Chocó, Southern Tolima and Montes de María, as they are key zones for territorial consolidation. Southern Tolima and Montes de María are also PDRET zones.



Departmental Governors of Gran Darien Region (Choco, Antioquia, and Cordoba) celebrate joint plans for the region.  
 Photo: [elmeridianodecordoba.com.co](http://elmeridianodecordoba.com.co)

*Gran Darien.* At the end of May, the nation, and the departments of Chocó, Antioquia and Cordoba, officially confirmed their intention to implement the Gran Darien *Contrato-Plan*. The *Contrato-Plan* covers key municipalities where paramilitary groups began operations in the 1980s as well as zones where prominent human rights violations and violent land seizures took place (Chocó, Urabá and Cordoba). Several of the municipalities are now part of the National Consolidation Program and have been prioritized by the Victims' and Land Restitution Units.

This novel mechanism integrates, through a 5-year development contract, US \$425M in resources from a range of national-, departmental- and municipal-level agencies to be invested at an average rate of US \$85M per year.

<sup>9</sup> Sur de Tolima, Montes de María, Nudo de Paramillo, Macarena-Caguán.

In the *Southern Tolima*, the planning and structuring process for the Rural Development Program with a Territorial Focus (PDRET) has advanced, and will be the structuring element of the region's *Contrato-Plan*. The departmental and municipal governments prepared their Development Plans establishing priorities in the areas of social development, productivity and infrastructure. They have also defined the natural partnerships for the *Contrato-Plan*. The Public Policy Program provided permanent technical accompaniment to the PDRET and the Development Plans to ensure their coherence.

In Q8 the Program will support the formalization of the Gran Darien *Contrato-Plan* (technical structuring of projects and financial structure) and will continue to support the prioritization of activities and strategies for Southern Tolima and Montes de María.

### *Rural development Programs with a Territorial Approach (PDRET)*

#### **3.1.i. Support Rural Development Programs with a Territorial Approach (PDRET) and harmonize with territorial plans**

The Program was able to persuade Montes de María and Southern Tolima municipalities and Governors to include a rural development focus associated with regional strategies in their development plans.

#### **3.1.j. Pilots to support PDRETs and harmonize with territorial plans**

##### Montes de María Pilot:

In Q7, the Program worked to achieve inter-institutional integration in the zone,<sup>10</sup> ensure local governors' offices buy-in to *Contrato-Plan*, and inclusion of the rural development program strategy with a territorial and *Contrato-Plan* focus in local and regional development plans. Key activities included the constitution of a PDRET coordination committee, signing of consent agreements by mayors' offices, and identification of productive projects and project prioritization for royalties funding.

##### Southern Tolima Pilot:

Under the leadership of the Tolima governor's office, the Program in coordination with DNP, INCODER, USAID regional programs, and the Consolidation Unit, made progress in planning the Southern Tolima PDRET. This will form the structural basis for the region's *Contrato-Plan* and consolidation initiatives. Key activities included the constitution of a PDRET coordination committee, the unification of the PDRET and *Contrato-Plan* agendas (including municipal focus areas) in a participative environment (social and public sectors), inclusion of PDRET and *Contrato-Plan* in nine local development plans, and the development and prioritization of strategy and projects.

## **Challenges**

In Q8, it will be essential to coordinate with USAID regional programs to jointly implement a support strategy for local government regarding project formulation. Also, it will be important to continue supporting the *Contrato-Plan* model to ensure effective links between the central, regional and local governments and to ensure coordination among sectors.

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<sup>10</sup> Integration between Sucre and Bolívar Governors Offices, Sucre and Bolívar INCODER regional management offices, the Montes de María Foundation, mayor's offices, the European Union, and the Territorial Consolidation program.

*Contrato-Plan* pilots have specific needs which must be addressed in order to guarantee sustainability of the Program's and GOC's effort to date:

- Grand Darien: Maintain GOC commitment to region's development, particularly roads and sanitation. Additionally, it is important all three participating zones (Antioquia, Cordoba and Choco) have equal decision making power despite strong institutional capacity and access to resources in certain departments.
- Southern Tolima: Generate additional GOC buy-in for *Contrato-Plan* in the region; ensure GOC understands the strategic importance of the zone for territorial consolidation.
- Monte de Maria: Monitor the security situation to ensure sustainability of efforts.

### ***SUPPORT ACTIVITY RESULT 3.2 SUPPORT GOC INSTITUTIONAL STRENGTHENING FOR GOOD GOVERNANCE***

#### **3.2.a. Support public employment system:**

This activity has been finalized. The National governments will present, in the next legislature, the Legislative Act that will modify the functions of the National Civil Service Commission, in accordance with Program-provided recommendations and inputs.

#### **3.2.b. Support anti-corruption policy**

In Q7, the Program provided the GOC with a document *Policy Guidelines to Fight Corruption* and on May 30th held an expert discussion group to evaluate the content of the document and its proposals. This conversation generated a valuable space to voice opinions, in which civil society, academia and public entities. The conclusions from this gathering led the GOC to consider the need to include strategies of greater impact and visibility for society, and to work more intensively on issues like public ethics, and promoting a culture of legality. From the institutional point of view, participants insisted that the Secretary for Transparency should have a policymaking and coordination role and not an entity with a control or implementation role.

### ***SUPPORT ACTIVITY 4. ENVIRONMENT***

The USAID Public Policy Program provides assistance to the GOC for the identification of reform priorities, and support to reforms and to the implementation of plans for the protection and conservation of biodiversity, climate change, and land-use planning. It provides technical support and produces environmental policy recommendations for the introduction of payments for environmental services and greenhouse gas reduction policies. The Program assists in the implementation of relevant institutional reforms and supports an open dialogue between GOC officials and communities to build consensus regarding the definition of roles and responsibilities on community lands and indigenous reservations.

In Q7, the Program supported the implementation of the policy that defines the National System of Protected Areas (SINAP), preparation of a business plan for managing protected areas and ecosystem zones for "Naturalmente Colombia" (a public-private partnership), preparation of a policy document on the Reduction of Greenhouse Gases due to Degradation and Deforestation; and the constitution of the national climate change system.

### ***SUPPORT ACTIVITY RESULT 4.1 Support Implementation of the Policy that Defines the National System of Protected Areas -SINAP (CONPES 3680)***

- a. Harmonize Protected Areas Categories: In Q7, the Program intensified its support for the National Natural Parks Unit (PNNU) in the process of harmonizing protected areas, by developing regional and national workshops to encourage information sharing regarding advances on the re-categorization of the protected areas.
- b. Evaluation system for the National Natural Parks Unit: The Program has supported the PNNU in the analysis of 13 marine protected areas in Colombia, determining their respective “objects value” (cost of conservation) and the “environmental pressure” (destructive factors) present in these areas, in order to establish monitoring requirements and to propose a set of indicators to measure the current situation and the environmental pressure on marine biodiversity in such areas.
- c. Business plan for protected areas management: In late 2010, the GOC created *Naturalmente Colombia*, a public-private initiative that fosters coordination of efforts between public entities and non-governmental organizations for the conservation of protected areas. This initiative is being led by the High Presidential Counsel for Biodiversity, Water and Climate change, the Vice-Ministry of Environment and PNNU and its goal for 2020 is to address a minimum of 17% of land ecosystems and 10% of the protected marine areas.
  - The Program offered its support in structuring a business plan to define financial requirements and the needed budget to develop such an objective and possible sources of funding. The first phase of the work consisted of reviewing similar international experiences, such as Costa Rica Forever (CRF) and Brazil’s Amazon Region Protected Area (ARPA).
  - The Program then worked with the entities and non-governmental organizations that form a part of the initiative, to calculate costs for the protection of SINAP areas and environmental corridors (calculations included cost of initial analysis of the zone, planning and implementation, and annual recurring costs). Possible sources of funding were also evaluated; sources included: payments for environmental services, national environmental expenses, royalties, PNNU income, bilateral and multilateral sources, public and private companies, the Natural Patrimony Fund and the Fund for Childhood and Environmental action.
  - Finally, a management, administration, development and operation scheme were proposed for the initiative and a model for the conservation of 25 protected areas until 2016 was structured. The business plan, delivered to the Ministry of Environment and Sustainable Development and to other involved entities, has become the basis for the implementation of the initiative.

#### ***SUPPORT ACTIVITY RESULT 4.2 SUPPORT POLICY DESIGN TO DEVELOP PECS***

##### **Reducing Emissions from Deforestation and Degradation (REDD).**

Colombia has made progress in determining the main issues underlying degradation and/or deforestation, and in determining national emissions rates and economic and normative regulations for the reduction or control of deforestation processes. In spite of these efforts, there are still difficulties regarding the development and promotion of REDD initiatives; there is not enough information or experience to comply with international standards regarding the voluntary carbon market, nor does it respond to the needs and expectations of local communities living in the areas which still have natural forests.

The Program is currently supporting the Ministry of Environment and Sustainable Development’s Climate Change Department in the preparation of a “REDD Preparation Proposal (R-PP),” which seeks to prepare the country to implement REDD actions. The proposal includes regional level actions.

Within the context of the Program's support to the GOC to strengthen its REDD legislation, the Program, in coordination with the Ministry of Environment and Sustainable Development and the USAID BIODER Program, reviewed and provided recommendations to the Land and Rural Development Bill on environmental issues. Recommendations focused on:

- The generation of economic incentives to detain deforestation inside and outside of forest reserves;
- The delimitation of national forest reserves: The government will provide amnesty to land occupiers and will redefine forest reserve borders.
- An agricultural border buffer zone: A strip of land bordering the forest reserve in which land owners are incentivized to engage in conservation activities over rural development.
- Prohibition of land titling in new forest reserve areas: Disincentivize unauthorized land occupation for those with hopes of claiming the land in the future. The Ministry will reclaim private property from land owners who attempt to co-opt forest reserve areas.

#### *SUPPORT ACTIVITY RESULT 4.3 Support GOC in Climate Change Policy Initiatives*

Climate change policy document: The Program concluded its contributions to the draft decree creating the National System of Climate Change (SNCC), which is currently under signature by different Ministries and relevant entities. The SNCC is regulation that will guide and control the country's climate change strategy.

Additionally, as mentioned in the beginning of this section, the Program initiated support for the Hydrology, Meteorology and Environmental Studies Institute (IDEAM) to structure the Third National Communication for Climate Change. This effort will result in United Nations funding to develop a project to adapt the country to climate change (ex., mitigate flooding effects in low-land areas).

- b. Low Emissions Development Strategy (LEDS) study:** Of the 5 sectors considered for the Colombian Low Emission Development Strategy (industry, mining/energy, transportation, agribusiness and waste materials), the Program has offered specific inputs to the LEDS study on two of them (transportation and agribusiness). This support is ongoing and will be finalized in Q8.
- c. Support National LEDS strategy:** Apart from the contributions to the strategy regarding the aforementioned sectors, the Program has offered its support in the coordination of the global strategy. The development of the strategy consists of 5 stages: (1) identification and evaluation of low emission alternatives and opportunities; (2) design and implementation of plans, policies and measures for low emissions development; (3) design and implementation of the monitoring, reporting and verification systems; (4) creation of regional competencies for low emission development; and (5) establishing a cooperation and knowledge management platform. While the three first stages will be developed sequentially, the final two stages will be implemented through 2014. Support for strategic planning will continue in Q8.

#### *SUPPORT ACTIVITY RESULT 4.4 Support GOC in Sustainable Urbanism and construction*

**Sustainable urbanism and construction policy document:** As previously mentioned, preparation of the Sustainable Urbanism and Construction Policy Document began in Q7 and be finalized in Q9.

***Policy Instruments delivered:***

- Business plan for Protected Areas Management.
- Inputs for the implementation decree of the National Climate Change System

***SUPPORT ACTIVITY 5. Affirmative Actions for Afro-Colombians***

The Program promotes spaces for dialogue and discussion regarding the *Consulta Previa* process. Colombia recognizes the right of minorities to participate in policy making when actions included in policies affect their life conditions, nevertheless this consultation process lacks regulation. So, it requires a wide debate to discuss how the consultation should be made. The Program also supports the GOC in monitoring GOC progress against commitments made to ethnic communities within the National Development Plan.

- Monitor GOC commitments to indigenous peoples and Afro-Colombian communities:** In Q7, the Program developed and prepared a methodological tool to monitor the progress made by each one of the 23 government entities responsible for commitments made (regarding indigenous people, and Afro-Colombian and Rrom communities) within the framework of the National Development Plan. The tool consists of a stoplight mechanism that shows the advance or lack of advance against goals and indicators regarding the aforementioned commitments. The tool also describes the funds committed by each entity to carry-out related activities. Program support will continue in Q8 and through the end of 2012, in accordance with the Program's agreement with the GOC to serve as the technical secretariat to the Technical Roundtable for Inter-institutional Coordination for ethnic groups.

***SUPPORT ACTIVITY 6. Knowledge Management***

The Program's Knowledge Management strategy aims to produce strategic communications on Program achievements and lessons learned, and also builds a knowledge base, for internal and external audiences, regarding the processes and methods used to achieve public policy innovation and profound legal and institutional change in Colombia. In Q7, the Program continued to make advances in telling its successful story, positioning its messages, and strengthening the flows of information to direct stakeholders already familiar with the Program's work.

- MONITOR:** This quarter Devtech improved the MONITOR system to include a tool to further disaggregate indicators. Based on this innovation, the Program was able to add qualitative information based on the Program Work Statement Structure (pillar, results, milestones). The Program uploaded its advances for Q7 to the MONITOR system. In Q8, the Program will review the information from previous quarters (Q4- Q6) to make it consistent with the Q7 format and upload it to the system.
- Knowledge Management Strategy design:** The Knowledge Management Strategy was drafted and will be updated based on the innovations the MONITOR system had in Q7. This will ensure Knowledge Management deliverables properly reflect Program achievements.
- Case studies:** The Program initiated revision of case study methodologies with the objective to develop a scientifically sound methodology for public policy analyses. A sound methodology will

answer the question of how the Program was able to implement public policy reform in Colombia. The Program initiated conversations with nationally recognized universities regarding potential collaboration on the aforementioned case studies.

- e. **Quarterly Reports:** The Program produced the Q6 quarterly report and delivered it to USAID at the end of April. The Q6 report was the final report under the Program’s previous 6 component structure.
- f. **E-bulletin:** In this quarter, 3 monthly e-bulletins were produced for USAID on: Program support for INCODER and Rural Development Programs with a Territorial Approach (PDRET) (May); draft Public Private Partnership Law (June); the launch of Victims’ monetary compensation in Medellin (July).
- g. **Weekly/biweekly reports:** Six bi-weekly reports were developed in Q7 providing up-to-date, cutting-edge information to USAID and the embassy on the advance of key policy issues in Colombia (land restitution, land formalization, victims’, consolidation, access to financial services, rural development, security). This provided USAID with a decision making tool that could be directly applied to USAID strategic support in Colombia.
- h. **Work Plan:** In June USAID requested some minor adjustments to the Program’s year 2 Work Plan. These changes included additional support for the MARD and INCODER reforms. The updated Work Plan was delivered to the Program’s COTR on June 21.

## PROGRAM MANAGEMENT AND ADMINISTRATION

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In Q7, the Program continued to implement its technical assistance activities, and in the month of June billed US \$857,343.55 for a total of US \$13,017,622.40 billed to USAID over the life of the project. It is expected that Invoice No. 20 will amount to an additional US \$624,310.

### RECRUITMENT/CONTRACTING

In Q7 AECOM directly contracted 21 consultants (STTA), obligating COP\$273,564,140 (or approximately US\$ 157,130)<sup>11</sup> with the following breakdown:

Pillar	No. Consultants	Amount USD	Percentage distribution of contract amount
Land Policy	3	\$ 70,483	45%
Victims’ Policy	16	\$45,137	29%
Consolidation Policy	1	\$19,299	12%

<sup>11</sup> Exchange rate used 1,741 Colombian Pesos per dollar.

<b>Supporting Activities</b>	1	\$22,211	14%
<b>Total</b>	<b>21</b>	<b>\$157,130</b>	<b>100%</b>

Total new commitments under AECOM's Grants & Subcontracts budget line reached COP\$916,136,637 (or approximately US\$526,212). Of this total, Contracts account for COP\$739,710,745 (approximately US\$ 424,877), and Task Orders account for COP\$176,425,892 (approximately US \$ 101,336). Of this amount, COP\$ 44,613,187 (approximately US \$25,625) account for new task orders and COP \$131,812,705 (approximately US \$75,711) account for an increase to an existing task order under subcontract. Seventy-nine percent of the total amount financed technical activities under the Victims' Policy Pillar, 12% under the Land Policy Pillar, and the remaining 9% was devoted to Consolidation Policy Pillar activities.

Component	No. Contracts	Values USD	Percentage distribution of contract amount
Land Policy	1	\$60,803	12%
Victims' Policy	5	\$417,686	79%
Consolidation Policy	2	\$47,723	9%
<b>Total</b>	<b>8</b>	<b>\$526,212</b>	<b>100%</b>

During the quarter the AECOM Contracts & Grants Department committed six (6) new instruments (2 Task Orders under subcontract and 4 Contracts) and processed five modifications as follows:

SUBCONTRACTS & GRANTS / April - June / 2012			
PILLAR	Instrument	New	Modifications
Land Policy	IQC		
	Task Order	0	3
	Contract		1
	SG		
		<b>0</b>	<b>4</b>
Victims' Policy	IQC		
	Task Order	1	0
	Contract	4	
	SG		
		<b>5</b>	<b>0</b>
Consolidation Policy	IQC		
	Task Order	1	
	Contract		1
	SG		
		<b>1</b>	<b>1</b>
<b>TOTAL</b>		<b>6</b>	<b>5</b>

## OPERATIONS

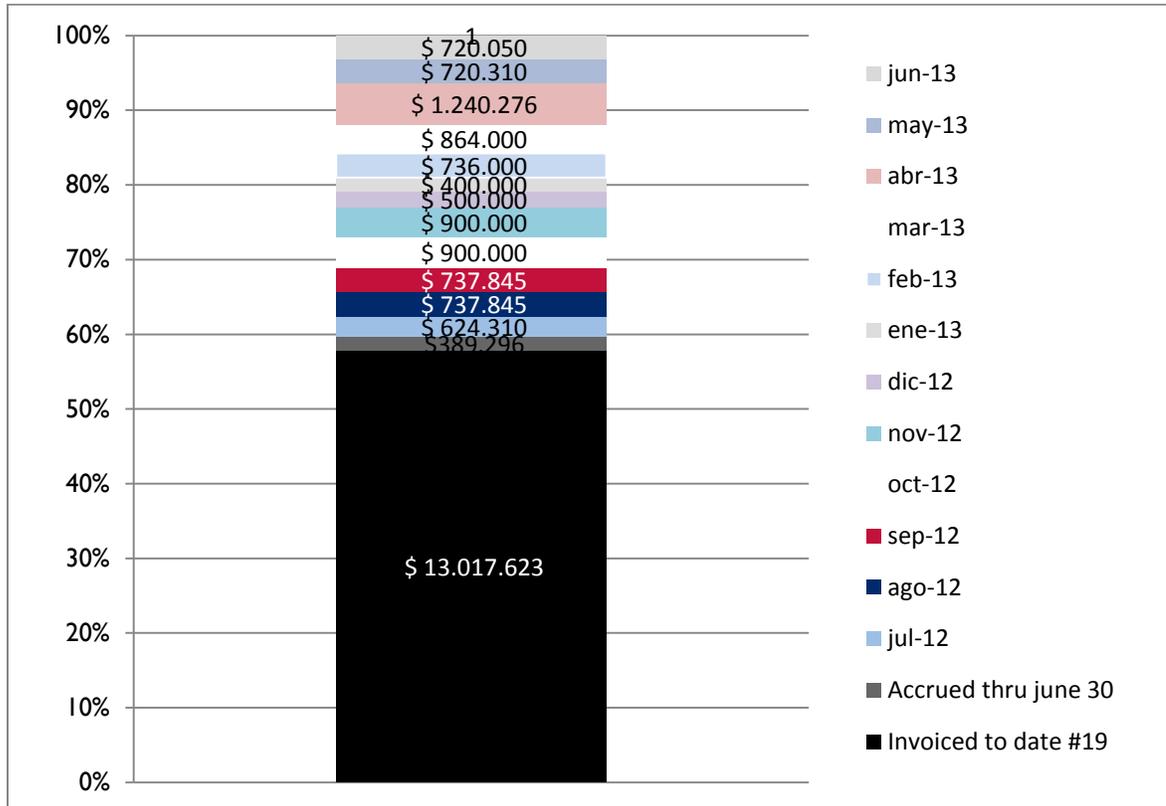
**Contract Modification:** In accordance with the Request for Proposal (RFP) to modify the Public Policy Program USAID Contract No. 514-C-11-00001 received on June 13, 2012, AECOM International Development, Inc. will present its proposal on July 6. The objective of this modification is to add new activities to the contract related to land, victims', and consolidation policy. The Program has played a major role in supporting Colombia's most complex public policy reforms essential to meeting the ambitious objectives of the Colombian Government's agenda and as such is positioned to respond in a timely manner to USAID's request.

**Events:** The Program continued to reach to the government and civil society counterparts in Q7; below is the number of workshops, participants by gender, and level of satisfaction with the quality of the events of this quarter:

	Events			Participants						Satisfaction	
	In-house	External	Total	Men		Women		Public Servants		Total	Satisfactory
	#	#	#	#	%	#	%	#	%	#	%
<b>APRIL</b>	1	3	4	75	55%	62	45%	62	45%	137	96%
<b>MAY</b>	1	2	3	23	53%	20	47%	20	47%	43	99%
<b>JUNE</b>	1	2	3	42	49%	43	51%	43	51%	85	95%
<b>Total</b>	<b>3</b>	<b>7</b>	<b>10</b>	<b>140</b>	<b>53%</b>	<b>125</b>	<b>47%</b>	<b>125</b>	<b>%</b>	<b>265</b>	<b>97%</b>

## FINANCIALS

As of June 29, the Program invoiced USAID US \$13,017,623. An additional US \$389,296 in accrued expenses through the end of Q3 FY 2012 (June 2012) is estimated, for a total of US \$13,406,919.



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

## ANNEX I. RESULTS TABLE: ACHIEVEMENTS TO DATE

Results/Performance Standards	Delivery Requirements /Milestones	% Achieved to date
<b>Program Goal: Improved economic and social conditions of vulnerable Colombians through effective rights-based institutional presence</b>		
<b>PILLAR ONE: LAND POLICY</b>		
1.1 Land restitution chapter of the Victim's Law implemented	Land Restitution Unit established	75%
	Inputs to Compensation decree	0%
	Inputs to Land Restitution for Ethnic Minorities decree	95%
1.2 Land and Rural Development Law drafted	Inputs to Law for Rural Development	70%
	Design of Unit for Rural Land Use Planning	100%
	Design of Sustainable Livelihoods Policy Framework	30%
	Design of Regional Rural Development Areas Programs	40%
1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure	Design of formalization program	100%
	Regulatory framework for land formalization	100%
	Design of institutional structure for formalization program	100%
<b>PILLAR TWO: VICTIM'S POLICY:</b>		
2.1 Victims' Law institutions designed	Design of Department of Social Prosperity (DAPS)	70%
	Design of Victims' Unit	80%
	Design of Regional Victims' Assistance Centers	50%
	Design of Center for Historical Memory	100%
2.2 National plan for Victims' humanitarian assistance and reparations	National Plan for victims' reparations in place	90%
	Design of methodology for regional reparations plans	100%
2.3 Victims and civil society stakeholders participate in the implementation of the Victims' Law	Victims and stakeholder participation in policy design	100%
<b>PILLAR THREE: CONSOLIDATION POLICY</b>		
3.1 National Consolidation Policy (NCP) framework revised	Revised NCP framework	80%
	Methodology for Regional Consolidation Action Plans	50%
	Design of interagency and inter-governmental budget and coordination mechanisms	60%
3.2 Institutional structure designed to implement the NCP at the national and regional level	Design of Consolidation Unit	80%
	Design of Consolidation Fund	50%