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# PUBLIC POLICY PROGRAM QUARTERLY REPORT – Q9 OCTOBER – DECEMBER 2012

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# USAID PUBLIC POLICY PROGRAM

## QUARTERLY REPORT 9

October – December 2012

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## ACRONYMS & ABBREVIATIONS

ACIP	Afro-Colombian and Indigenous Program
ACPEM	High Commission for Women’s Equity ‘
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
Program	USAID Public Policy Program
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
UAF	Family Farming Unit
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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In Q9, the USAID Public Policy Program has entered into its third and final year of operation. By focusing its efforts on strengthening institutional operation capacity of key public entities from the agriculture sector and social inclusion sector, the Program is addressing a fundamental priority. It is ensuring sustainability for the significant contributions it has made in developing innovative policies and carrying out profound institutional reforms inside the aforementioned GOC sectors. A significant outcome of the Program's efforts is that land restitution and financial compensation for victims are now becoming a reality. The next major challenge is to guarantee that institutions and mechanisms exist that are able to meet the demands of the 1 million victims the government aims to compensate over the next 10 years and to successfully provide them with comprehensive reparations.

*The Land and Rural Development Policy Pillar*, in Q9, continued to support the establishment of the Land Restitution Unit (LRU) and implementation of the Victims' and Land Restitution Law (Law 1448/2011). As a result, through the end of the quarter, the LRU was successful in receiving 28,911 applications to register seized and abandoned land (meeting 211% of its 2012 goal), 1,200 claims were submitted to judges, and 41 judicial decisions were made. In particular, a historic milestone for victims' reparations was achieved. December 19, 2012 became a historic date for Colombia, and a special one for the Land Restitution Unit and Land Restitution Judges. In Mampuján (Bolívar), President Juan Manuel Santos personally delivered land titles to 31 families who had been displaced in 2000 by a paramilitary group. The first land restitution process under the Victims' Law was thus completed, and about 65 hectares of land were returned to their rightful owners.

However, land restitution in Mampuján is just the first step. Within the framework of the Victims' Law, the LRU must address 360,000 cases of land seizure over the next 10 years. The USAID Public Policy Program now faces the new challenge of providing knowledge and experience to enable the Land Restitution Unit to process large volumes of restitution claims and coordinate with relevant entities to ensure that they have the capacity to ensure victims' overcome poverty and their state of vulnerability, and are able to effectively return to their land with a high quality of life. In Q9, the Program worked closely with the Victims' Unit and Land Restitution Unit to guide the proper way to coordinate efforts to guarantee strategic and sustainable results for victims to return to their land and with the Consolidation Unit to establish a common goal to coordinate actions in the territory, especially on security and income-generation programs for populations located in these zones.

The Program also actively supported the National Planning Department (DNP), Ministry of Agriculture and Rural Development (MARD), and the Colombian Rural Development Institute (INCODER) to ensure their programs and services also work to target vulnerable rural populations towards the same aforementioned goals. Specifically, in Q9, the Program worked to strategically realign INCODER's priorities. This worked gave direction to the INCODER's actions to generate greater impact on the country's rural population through comprehensive, territorial-based interventions. Finally, the Program also supported the establishment of the Comprehensive Rural Development Program with a Territorial Focus (PDRET) Roundtable. This Roundtable has already prioritized two regions for support, in coordination with *Contrato-Plan* stakeholders in Southern Tolima and Northern Cauca. As a result of Program support, the *Contrato-Plan* agreements specify rural development investment for these regions in the amount of US \$60.2M for Northern Cauca and \$61.8M for Southern Tolima.

At the end of the quarter, Maria Lorena Gutiérrez, Presidential Adviser for Good Governance, noted the Program's Land and Rural Development Pillar contribution to GOC results. She praised the

Program, stating that its support has been fundamental for the successful advance of policy reforms led by the Office of the President, and, in particular by “strengthening the Agriculture and Rural Development Sector and supporting the creation and implementation of the institutions in the new Social Inclusion Sector.”

*The Victims’ Policy Pillar*, in Q9, continued to support the institutional strengthening of the Victims’ Unit and the National System for Victims’ Assistance and Comprehensive Reparations (SNARIV) that the Unit oversees. As a result of Program efforts to help the Unit evaluate key actions needed to close-out 2012, by the end of December, the Victims’ Unit reported that in its first year of operation, 157,000 victims received financial compensation for a total of US \$518M, and 51,565 individual reparations plans and 6 collective reparations plans were developed. In addition, the Victims’ Unit outperformed all social prosperity sector entities by executing 92.2% of its investment budget (approximately US \$574M). These strong results are a key contribution to the building of trust in the GOC’s comprehensive assistance and reparations process.

In Q9, the Program supported the Unit in undergoing a strategic evaluation and planning process in order to formulate a Plan to Deconcentrate<sup>1</sup> the Unit’s functions. Program support led to the formation of a culture of planning and participation in the Unit, contributing, first, to keeping the policy focused on the victims themselves; second, to a more efficient linkage of the victim to the services offered; and third, to increasing efficiencies within the Unit so that the processes can be expedited. As a result, the Unit now also has a clear vision of what its strengths and areas for improvement are.

In Q9, the Program provided instrumental support to the Victims’ Unit in designing a transparent competition process and selection criteria for the selection of a trust fund to manage minors’ reparations (as required by the Victims’ Law); the GOC seeks to provide monetary reparations to approximately 50,000 minors that will receive compensation in the range of US \$161M. As a result of Program support, in record time (in just one month), the Unit was able to complete the competitive process, awarding Fiducolumbia with a contract to manage minors’ reparations funds in a trust, thereby ensuring that administrative and judicial compensation for minors is kept in a safe and profitable place until they reach adulthood. In addition, the aforementioned Program support enabled the Victims’ Unit to execute US \$21.9M before the end of its fiscal period and generate savings in operations costs originally estimated by the Victims’ Unit to be approximately US \$2M in total to only US \$50,560.

Recently, the Director of the Victims’ Unit, Ms. Paula Gaviria, stated that the USAID Public Policy Program’s support “has been decisive not only in defining the Public Policy for Comprehensive Victims’ Reparations, but also in the design and operation of the institutional framework required to turn goals into results.”

*The Consolidation Policy Pillar*, in Q9, continued to support State presence and inter-institutional coordination in consolidation zones (13 departments and 58 municipalities), as well as ensure relevant service provision. The underpinning of the National Consolidation Plan is the creation of alliances between communities and the State. Towards this effort, the Program was successful in coordinating with the representatives of the six *Contrato-Plan* agreements to raise awareness regarding consolidation zone needs. *Contrato-Plan* agreements now include projects that work to increase territorial

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<sup>1</sup> *Deconcentration*: “The process by which the agents of central government control are relocated and geographically dispersed” (Sayer et al.) or “Administrative decentralization, i.e. a transfer to lower-level central government authorities, or to other local authorities who are upwardly accountable to the central government” (Ribot 2002 in Larson). Source: [http://www.cifor.org/publications/pdf\\_files/interlaken/Compilation.pdf](http://www.cifor.org/publications/pdf_files/interlaken/Compilation.pdf)

consolidation and reconstruction, and 18 consolidation municipalities<sup>2</sup> are included within the *Contrato-Plan* agreements. The aforementioned Program efforts were leveraged by the Consolidation Units for its negotiations with national-level entities regarding priority interventions for all consolidation zones. Program support contributed to the Consolidation Unit's success in leveraging nearly US \$1B in investments for consolidation zones in 2013.

This quarter, the Program engaged in important efforts towards institutionally strengthening the Consolidation Unit. It defined the indicators that will form part of the monitoring system that the Unit will use to track execution against activity and budget commitments made by national entities in consolidation zones. The new Program-developed dashboard of indicators will provide direct input to the Unit and to the Office of the President, allowing them to demonstrate results, ensure national entities comply with established commitments and goals, and will generate additional political buy-in for the NCRP.

The Program structured and supported the start-up of the Consolidation Unit's Rapid Response Program (RRP) legal and operational model (including recommendations on sub-contracting modalities). The RRP is an agile investment mechanism that responds to urgent needs in targeted areas, in order to build trust between the population and the State. As a result of Program support, by November 2012 (after only 3 months of operation), the RRP had approved 263 projects with a value of US \$12.5M, executed 77 projects, and had 143 projects in the structuring phase.

Program support for the NCRP design and development during 2012 has been noted by the GOC. In a recent letter, Germán Chamorro, Director of the Consolidation Unit, highlighted how the Program's assistance has allowed the Unit to obtain crucial achievements. Among these, he highlighted results such as the Unit's strategic planning process, inter-agency coordination to agree on historic joint budget commitments, as well as the development of Regional Consolidation Plans.

The Program also had significant achievements in areas that made key contributions across the three policy pillar areas. This included the development of draft guidelines to reform the Agriculture Finance System (AFS) for the Ministry of Finance, the National Planning Department, and the Central Bank. Program recommendations include eliminating interest rate and loan subsidies. The Program also began designing a financing action plan to stimulate the sector's development.

The Program also concentrated efforts on successfully completing the negotiation of *Contrato-Plan* agreements and initiating the implementation of pilot programs to test the instrument. Of the 7 pilot programs prioritized by the national government, 5 are being supported by the Program in consolidation zones or in Afro-Colombian and Indigenous Program (ACIP) regions: Southern Tolima, Northern Cauca, Gran Darién, Nariño and Montes de Maria.

During Q10, the Program will continue to provide capacity building to the GOC institutions from the agricultural and social inclusion sector, that are responsible for Victims' Law implementation. At this point, it becomes crucial to provide, to the MARD, LRU, INCODER, Victims' Unit and Consolidation Unit, cutting edge management tools that make their operation sustainable and enable them to meet the GOC's ambitious goals laid out for the final two years of the Santos' Administration. In order to achieve this, the Program will support such key tools as: strategic planning, action plan development, organizational reform, efficient public contracting tools, and identification of bottlenecks in entities' processes. In addition, the Program will focus its efforts on strengthening inter agency coordination,

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<sup>2</sup> Tierra Alta, Valencia, Arauca, Arauquita, Cravo Norte, Puerto Rendon, Saravena, Tame, Ataco, Chapparal, Planadas, Rioblanco, Caloto, Corinto, Miranda, Santander de Quilichao, Toribio, and Tumaco.

which is indispensable for ensuring that the victims of conflict – that can now demand comprehensive reparations and land restitution – have their needs met.

## **PILLAR I: LAND POLICY**

The Land Policy Pillar works to address the root causes of conflict and poverty in Colombia. Specifically, the Pillar works to: support implementation of the land restitution chapter of the Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law); design the rural property formalization program, draft the Land and Rural Development Bill, develop the Colombian Rural Development Institute's (INCODER) institutional reform and its management capacity; and strengthen the operation of the Land Restitution Unit (LRU).

During Q9, Program accomplishments under this Pillar were numerous, the most significant being the establishment of the Comprehensive Rural Development Program with a Territorial Focus (PDRET) Roundtable. This institutional roundtable led by the National Planning Department (DNP), brings together entities<sup>3</sup> that are responsible for developing strategies for rural income generation, and enables them to coordinate efforts, prioritizes, regionalize budgets, and focus resources on prioritized regions through a comprehensive rural development vision (see *Activity 1.2.3.a*). This roundtable has already prioritized two regions for support, in coordination with *Contrato-Plan* stakeholders in Southern Tolima and Northern Cauca. To support this process, the Program assisted INCODER in modifying its 2013 national project and budget description formats<sup>4</sup> to ensure they included a territorial focus for Northern Cauca and Southern Tolima. As a result of Program efforts, the *Contrato-Plan* agreements specify rural development investment for these regions in the amount of US \$60.2M for Northern Cauca and \$61.8M for Southern Tolima. Service coordination and targeting of income-generating programs through the national roundtable will be further developed through the use of regional roundtables. This is a great step toward making a greater impact with the rural income-generation policy, as the sustainability of productive projects is key to the return of the vulnerable population to their territories.

Another highlight worth mentioning is that Program technical assistance provided to the Land Restitution Unit (LRU) in the implementation of the Victims' and Land Restitution Law (Law 1448/2011), led to the LRU receiving 28,911 applications to register seized and abandoned land (meeting 211% of its 2012 goal), 1,200 claims submitted to judges, and 41 judicial decisions made. In the same capacity, the Program closely coordinated with the Consolidation Unit to establish a common goal to coordinate actions in the territory, especially on security and income-generation programs for populations located in these zones. The Program continued to support "safe restitution" through the definition of a road map to roll-out Unit's security strategy to regional offices.

Technical assistance to the Colombian Rural Development Institute (INCODER) was also successful in Q9. The Program provided direction to the INCODER's actions in order to generate greater impact on the country's rural population through comprehensive, territorial-based interventions. The Program worked across all of the INCODER's deputy directorates (Planning, Rural Land, Land Use Adaptation, Income Generation Projects, and Ethnic Issues) to carry out the realignment.

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<sup>3</sup> Ministry of Agriculture and Rural Development (Formalization Program and Rural Development Directorate), Ministry of Labor, INCODER, Department of Social Prosperity, Consolidation Unit, Vice Ministry of Water, *Banco Agrario*, Agency to Overcome Extreme Poverty, National Program for Citizen Services, Land Restitution Unit, and the National Planning Department.

<sup>4</sup> that are registered with the National Planning Department.

In Year 3 the Program will focus in working with the INCODER and Ministry of Agriculture and Rural Development (MARD) on improving institutional planning, budget execution and procurement exercises and the Program will design new methods for delivering services at the territorial level. These institutional reforms are designed to enhance the capacity of the GOC to prioritize regions and population groups; manage large requests for services; and develop consistent budgeting and procurement processes that take into account the new methods for delivering services to vulnerable populations and geographic zones.

## **Results, Milestones and Activities**

### **Result 1.1: Land Restitution Chapter of the Victims' Law Implemented**

#### **Milestone 1.1.1 Land Restitution Unit Established**

##### **Activities**

**1.1.1.a. Ensure coordination between Consolidation, Victims' and Land policies:** During this quarter, the Program continued supporting the Land Restitution Unit (LRU) in strengthening coordination with the Victims' Unit, institutional capacity to remove the bottlenecks related to the gradual and progressive provision of assistance under the comprehensive reparations policy was established, and measures for the implementation of the Victims' Law (Law 1448/2011) were developed.

During Q9, the Program assisted the LRU with the design and implementation of the National System for Victims' Assistance and Comprehensive Reparations' (SNARIV) Restitution Sub-Committee's Technical Secretariat. According to the Victims' Law the LRU has to play a specific role in SNARIV. Program technical experts worked closely with the Victims' Unit and LRU to guide the proper way to coordinate efforts to guarantee strategic and sustainable results for victims to return to their land. The Program led the Sub-Committee's regional meetings and helped them identify bottlenecks in coordination among entities as well as communication gaps in the regional centers that are affecting the restitution process led by the Land Restitution Unit within the SNARIV. Program technical experts consolidated findings and supported the design of a strategic plan for coordination between the LRU and the Victims' Unit that will not only address regional operations but with also aimed to be strategic and sustainable.

As a result, the LRU is meeting its legal requirements as an institution that forms part of the system that provides integral assistance to victims. In addition, improved coordination with the Victims' Unit is ensuring that victims on the ground are receiving integral support within the restitution process. The Program will continue supporting the implementation plan of the agreements reached between the two Units during Q10.

In addition, the Program facilitated the signing of an agreement between the Consolidation and Land Restitution Units in November 2012, which established a common goal to coordinate actions in the territory, especially on security and income-generation programs for populations located in these zones. The Program is providing technical assistance for the development and implementation of the action plan that is being constructed based on this agreement, which aims to ensure true regional harmonization of restitution and consolidation policies. The action plan will be finalized in Q10.

**1.1.1.b. Support review of and streamlining of Land Restitution Unit (LRU) administrative processes – planning, contracting, and budgeting:** In Q9, the Program’s institutional strengthening expert, with the LRU’s Planning Director and Secretary General, drafted a public management action plan to evaluate, enhance and support the streamlining of the Unit’s administrative and support areas. The action plan specifically addresses LRU needs in administrative processes which includes training needs, inter and intra institutional planning, evaluating contracting modalities including outsourcing, and multi-year budgeting. The action plan will be carried out during Q10. Program assistance contributed to improving efficiencies in the execution of LRU investment resources, and emphasizes knowledge transfer in public management, budgeting and resource execution planning. The Program is currently strengthening the institutional capacity of functionaries (that lack substantive experience and a strong understanding of public management and public administration) through hands-on training in planning, budgeting, and contracting. The Program is supporting the coordination of the Unit’s Action Plan (2013-2014).

**1.1.1.f. Support the definition of security protocols and roll-out strategy for regional offices:** As part of the Year 2 Work Plan (Activity 1.1.1.d.), the Program delivered, in Q8, a step-by-step protocol on security procedures for how Land Restitution Unit (LRU) personnel should act on the ground. The Program then, in Q9, carried out an assessment for the LRU with recommendations on the concept of “Safe Restitution” (“*Restitución Segura*”). The document describes differing security needs based on each phase of the restitution process. The investigation, substantiation and judicial decision phases require that the emphasis of security measures be placed on the protection of victims and officials. Once the property has been returned, the main security challenge revolves around generating ongoing security in the restored zones to enable the return of peasant farmers and the development of their social and economic lives under normal conditions. This document also helps to focus the Unit’s actions based on its role in the restitution process and to properly plan coordination with other actors, mainly the Ministry of Defense and the Armed Forces (which have a mandate to coordinate the implementation of the restitution process).

In Q9, the Program, with LRU officials, also defined a road map for the second phase of Program technical assistance to be delivered on the Unit’s security strategy including a roll-out strategy for regional offices. In Q10 the Program will support roll out through the construction of manuals and guidelines for determining municipal security indexes and maps for updating the risk analysis matrix and the design of a roll-out strategy for implementation of these guidelines and the application of security protocols (including training courses for LRU officials) in four regional offices selected together with LRU officials. The Program will also support hands-on training in regional offices in order to implement the security protocol and monitor its implementation.

## **Result 1.2: Land and Rural Development Law Drafted**

### **Milestone 1.2.1 Inputs to the Land and Rural Development Law**

#### **Activities**

##### **1.2.1.a. Harmonize Land and Rural Development Bill and the Law on Rural Women:**

**Regulate the Law on Rural Women (Gender Support Activity 4.2.a.).** This activity began at the end of Q9 with a review of the aspects of the Law on Rural Women (Law 731/1992) that have already been regulated by the GOC (regulations have already been issued for approximately 40% of the Law). This is

a crucial first step to establishing how the Program will proceed to support the regulation of remaining aspects of the law. In Q9 the Program identified that it will focus on regulating issues related to employment, the social security and pension systems, women's participation in agricultural development and other government decision making, government entities' roles and responsibilities, outreach and information dissemination, and expansion of relevant registry systems and indicators. The draft regulation(s) will be prepared in Q10.

**1.2.1.b. Strengthen policies and regulations required for the implementation of land and rural development reform (agrarian processes and land access instruments):** In Q9, the Program delivered, to the Colombian Rural Development Institute (INCODER), an updated report on lessons learned from the *Plan de Choque* supported in Year 1 that promoted administrative restitution. The report includes valuable legal and regulatory recommendations on processes for the reestablishment of property rights by the INCORA or INCODER. Specifically, it focuses on the rights of beneficiaries of the agrarian reform who, because of forced displacement, abandoned their properties and were consequently stripped of their rights or lost the opportunity to benefit from the Institute's mission programs.

Additionally, the Program, in Q9, updated the lessons learned and good practices section of this document in response to the enactment and implementation of the Administrative Litigation Code and the General Procedure Code. The Program update includes new proposals for INCODER agrarian processes based on the new legal and regulatory information included in the aforementioned Codes. Once adopted by the INCODER, Program proposals will enormously strengthen the INCODER's ability to efficiently provide land access to peasants and other vulnerable populations. This study was discussed with the technical team and the INCODER's management. A work plan is being developed to comprehensively support the evaluation of the agrarian and administrative restitution processes in Q10 and Q11 from a regulatory and public administration point of view, in order to strengthen INCODER's activities in this area.

### **Milestone 1.2.3 Design of Sustainable Livelihoods Policy Framework<sup>5</sup>**

#### **Activities**

**1.2.3.a. Support the development of income generation-related implementation regulations and new policy and program design:** During Q9, the Program made great progress in positioning the Comprehensive Rural Development Programs with a Territorial Focus (PDRET) within the National Government. In Q9, the Program provided continuing assistance to the National Planning Department, INCODER, and the Ministry of Agriculture to discuss how the PDRET model would be implemented on the territorial level and how inter-agency coordination will work.

Specifically, the Program worked, in Q9, with Southern Tolima and Northern Cauca national and territorial stakeholders to adjust the Program-designed PDRET model for use in these regions. Stakeholders provided the Program with information on social, economic, and productive needs for the region, which the Program then used to adjust the model to include these territory-specific needs. The PDRET in these regions will constitute a comprehensive intervention strategy. As envisioned by the Program, the PDRET is designed to improve access to assets and to strengthen the capacities of rural

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<sup>5</sup> MARD and INCODER reform activities were originally reported under 1.2.3. In Year 3, these activities will now be reported under 1.2.5 and 1.2.6.

inhabitants to improve their living conditions through access to coordinated and complementary rural development services (public and private). This access is ensured by a territorial operator (a Rural Development Services Center) that structures, assists and executes income-generating projects and plans.

The PDRET model forms part of the *Contrato-Plan* of Southern Tolima and Northern Cauca, and is designed to: i) overcome rural poverty; ii) develop the income-generating capacities of rural homes; iii) strengthen rural territories by identifying productive opportunities and supplying public goods; and iv) establish social and productive order in the territory. In order to develop the model for use in these zones, the Program engaged in the following activities:

*Targeting, regionalization and coordination of the supply of rural development services.* Since last year, the Program has been working with the INCODER and the National Planning Department (DNP) on designing the PDRET Chapparal pilot, which forms part of the Southern Tolima Contrato-Plan/PDRET. Specifically, in Q9, in the context of this assistance, the Program supported the DNP in designing a national-level Roundtable on Comprehensive Rural Development with a Territorial Focus which includes a manual on how the roundtable should work, how decisions are made and which entities provide representatives to the table. On December 10, the National Government institutionalized the roundtable and the Program is providing initial support for its technical secretariat in order to ensure the Roundtable's sustainability. The Roundtable has the following objectives: i. Target, regionalize and modify the institutional offer of services; ii. Coordinate programs and their respective instruments so as to contribute to the implementation of the Rural Development Programs; iii. Develop evaluation mechanisms and indicators to measure impact; and iv. Create and coordinate territorial roundtables for the implementation of the Rural Development Model in Southern Tolima and Northern Cauca.

Though the Program's work with the Roundtable on targeting, regionalization and coordination of the supply of services, the Program was able to obtain a technical and budgetary commitment from the INCODER to assist 500 families in Southern Tolima and Northern Cauca through its Productive Project Implementation Program. In addition, Program support led to the Ministry of Agriculture and Rural Development (MARD) allocating direct resources for the improvement of 500 homes in the municipality of Chaparral, and pledging support for productive processes for Southern Tolima families through its Land Formalization Program and a program for the development of investment opportunities and the capitalization of assets of rural micro enterprises.

In Q10, the Program will convene the Roundtable on the Model for Comprehensive Rural Development with a Territorial Focus for Southern Tolima and Northern Cauca in order to define the support, roles and scope of responsibility of each government entity, and it will create the respective territorial roundtable.

**1.2.3.b. Evaluation mechanisms for land, rural development and livelihoods policies (Pilot in Chaparral, Tolima):** In Q9, using the baseline survey carried out for 500 families living in extreme poverty in the municipality of Chaparral (Tolima) the Program delivered, to the DNP, a brief technical proposal for the construction of indicators to evaluate and monitor the Pilot Rural Development Programs with a Territorial Focus (PDRET), this will support one of the GOC's strategies to overcome the structural limitations of the rural sector in order to improve the productive capacities of the rural population, as well as to promote the proper social and productive organization of the territory, in accordance with market opportunities and advantages. The PDRET strategy, which combines a territorial and population approach (improved productive capacity and social and productive

organization), will improve the productivity and competitiveness of the Colombian countryside in the medium term.

### **Milestone 1.2.4 Design of Regional Rural Development Programs (PDRET)**<sup>6</sup>

#### **Activities**

**1.2.4.b Support the INCODER at the central level and territorial direction units to strengthen implementation of rural development programs:**<sup>7</sup> During this quarter, the Program supported territorial level work in 4 regions: 1) Cauca, 2) Montes de María, 3) Chocó y Urabá, and 4) Magdalena Medio (progress described below). Program support attained a direct relationship between these regions and the central level of the INCODER, and especially made the Central-level Manager more aware of the reality in the regions, particularly those in which the territorial offices have demonstrated weaknesses in serving specific zones or in confronting particular problems.

*Cauca.* Program support in Q9 for INCODER's activities in Cauca, focused on solving inter-ethnic land conflict. The Program advised the INCODER on how to address differences between government requirements and the Department of Cauca's indigenous communities' demands regarding the breach of historical land agreements. The Program's expert advisor supported the INCODER in reaching an agreement (as part of the wider GOC negotiations) under which it will purchase land in the region (3,000 hectares a year for two years). Other agreements were reached on the delivery of titles and productive projects, as well as the review of mining concessions. In order to do this, the Program helped the INCODER prep for GOC-indigenous negotiation sessions and then attended the sessions in order to develop a summary of the discussions. Based on this information, the Program would then advise the INCODER on next steps for the negotiation and helped the INCODER draft an action plan to address indigenous requests.

*Montes de María.* In Q9, the Program's expert advisor worked with territorial officials in Sucre and Bolívar and civil society representatives to learn about the region's major disputes regarding land use conflict which have given rise to significant environmental concerns. The Program's advisor continued to develop a comprehensive development vision for the territory. This document includes background information on the territory, including productive profiles, value chains, infrastructure, social services, and land use. The document also provides recommendations on how INCODER can best address rural development needs for the territory. Recommendations will be available in Q10. The advisor has also supported the monitoring of the implementation of INCODER-supported productive projects in the territory, and the resolution of conflicts associated with Peasant Reserve Areas in the region (one has already been established and is in the planning process, and the authorities are deciding whether or not another will be created). This information will be included in the territorial vision document and will also be considered within the upcoming Montes de María *Contrato-Plan*.

*Chocó and Urabá.* In Q9, the Program's expert advisor for Chocó and Urabá, worked to identify INCODER-based solutions for land conflict in these regions. The Program's advisor worked, in the region, with Afro-Colombian communities, women leaders, and territorial-level INCODER representatives (productive project, ethnic affairs, and land), to identify land conflict and productive project issues, and regional INCODER weaknesses, in order to identify potential solutions.

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<sup>6</sup> The GOC originally called its regional rural development strategy "Rural Development Areas," however it renamed this strategy as "Rural Development Programs with a Territorial Focus (PDRET)."

<sup>7</sup> See also Activity 1.2.3.a (INCODER activities at the central level) and Activity 1.2.5.a.

*Magdalena Medio*. The Program's expert advisor analyzed armed conflict in the zone and its relation to land issues and made recommendations to the INCODER for focusing assistance in this region from Barrancabermeja, in addition to performing a diagnosis of the region's land situation. As a result, INCODER's Manager has prioritized strengthening of its territorial assistance. The region's municipalities included as part of the diagnosis belong to four departments: Bolívar, Cesar, Antioquia and Santander. The advisor also prepared an action plan that prioritizes actions related to land tenure and use for those regions.

### **Milestone 1.2.5 Reform of INCODER implemented**

#### **Activities**

**1.2.5.a. Support review and streamlining of administrative processes for INCODER – planning, contracting, and budgeting:** The Program, during Q9, continued its support to strengthen INCODER's administrative processes, enhancing the entity's budget execution<sup>8</sup> through the use of targeting and regionalization criteria. The improved operating models developed under Program assistance are enabling INCODER to engage in comprehensive interventions at the territorial level, thereby generating a greater impact on Colombia's rural population. In Q9, support was provided in the following areas:

#### **I. 2012 Budget Execution**

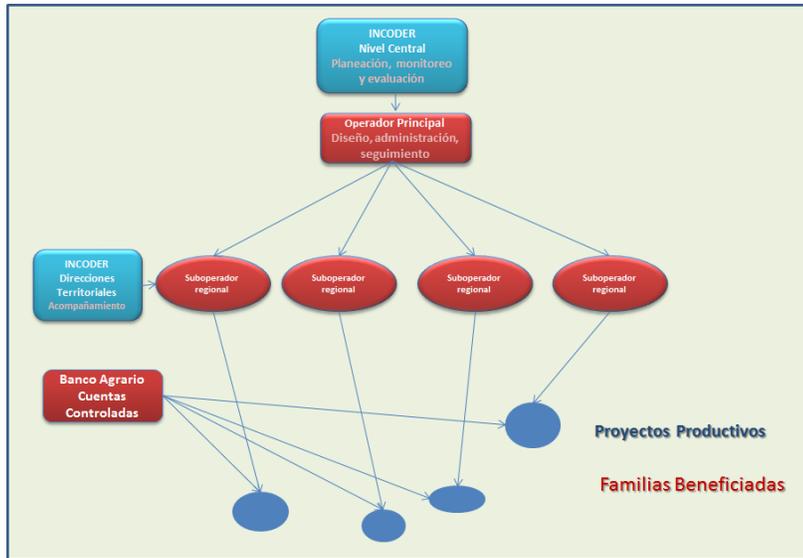
- a. ***Analysis and definition of the operating model and legal and budgetary mechanisms for the efficient and timely implementation of Rural Development Programs with a Territorial Focus (PDRET).***

INCODER support to peasant farmers to design and implement productive projects is currently carried out through the use of third-party contractors, constituting a parallel payroll for the agency. This model is disliked by control entities and it hinders supervisory processes and compliance with goals and required efficiency standards. Therefore, the Program has proposed the use of an alternative - a cascading scheme, under which the INCODER would directly characterize beneficiary families and design and implement productive projects through one main operator and regional sub-operators. A fundamental part of the model involves the participation of Banco Agrario, which would administer the resources necessary to implement the projects, through controlled accounts in the amount of US \$36M. In October 2012, Program experts supported the INCODER in designing the following: an operating model, a contracting mechanism, preliminary studies, and monitoring and payment schemes, and, reviewed contracting and operator models and the Institute's agreement with Banco Agrario. As a result, INCODER will generate income for 2800 beneficiary families through productive projects supported by US \$12,360 per project. The assistance provided to the INCODER will ensure project sustainability over the next two years.

As a result of Program support, between October and December 2012, 127 projects were formulated and \$49 billion pesos were disbursed for the benefit of 4,027 families. It is expected that all of 2012 budget resources should be disbursed by March 31, 2013.

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<sup>8</sup> As of December 18, 2012, 48% of the social investment had been executed. The total budget execution of the INCODER is 52%.



**b. Technical support for 2012 budget execution for Land**

In Q9, the Program supported the INCODER’s Rural Land Deputy Directorate in designing and putting into action an emergency plan to execute its budget. In September it had not even executed 30% of its budget. The Program provided legal support to strengthen the Directorate’s outsourcing contracts for titling *baldios* (state-owned land) and clarifying property boundaries. As a result of Program efforts, the Deputy Directorate was successful in executing nearly 90% of its 2012 budget by December 31.

**II. Support for 2013-2014 budget execution**

The Program led the INCODER’s strategy realignment process in Q9 through a strategic planning workshop in which INCODER’s Manager, the deputy mission managers<sup>9</sup> and advisors participated. The Program’s team held approximately four meetings with each deputy manager’s office, in which they identified goals, beneficiaries, territories, complementarity among the offices, outsourcing potential and operating models.

Project support is ensuring that the INCODER’s planning processes respond to the country’s development requirements and the needs of the rural population. With the Program’s support, INCODER is defining a strategic agenda for the next two years that is focused on four objectives: 1) Orient the programs toward Rural Development with a Territorial Focus; 2) Comply with the goals established in the 2010-14 National Development Plan; 3) Ensure improved impact and performance in 2013-14; and 4) Overcome the setbacks and problems that existed before 2012.

The following preliminary conclusions identified flaws that need to be corrected within INCODER: INCODER programs are operating on the basis of demand and that their actions have been predetermined by previous years’ circumstances and judicial rulings. This has generated dispersion thereby limiting impact (i.e., INCODER programs lack convergence and concurrence in regards to geographical and population focus).

<sup>9</sup> Land Adaptation, Rural Lands, Productive Management and Development, Promotion and Monitoring and Ethnic Affairs, Planning and Information

Management models lack criteria to focus service delivery in order to effectively respond to the demand and incorporate interventions with rural development determinants.

There is a need to reorient rural development assistance goals to “*families assisted*” instead of “*hectares.*”

As such, the Program-proposed strategy is geared to further transform the INCODER through the implementation of four major resolutions, which will serve as critical factors in the transformation of the countryside and the search for peace:

**To whom:** emphasize actions in the *territories* and *priority beneficiaries*  
**What:** orient the services toward rural development with a *comprehensive* perspective  
**How:** move from serving individual demand to *supply-based* models  
**For what purpose:** enhance the *opportunities and capacities* of the rural population

Strengthening the complementary nature of the Institute’s different programs is one of the most important aspects of the Public Policy Program’s strategy which will ensure that territorial interventions integrate property formalization with land and irrigation improvements, along with the necessary productive project assistance. Additionally, the Program supported INCODER in initiating coordination with *Red Unidos* in Q9, so that INCODER can expand and prioritize assistance for poor *families*, victims of the armed conflict, rural women, indigenous peoples, and the black, Afro-Colombian, *Raizal* and *Palenquero* communities. This will assist INCODER in targeting programs towards Colombia poorest citizens.<sup>10</sup>

Project assistance during this quarter helped INCODER identify the main areas of work for each of the Institute’s sub-directorates to guide decision making and actions to be taken as described below:

Sub-directorate	Strategic Action
<b>Land and Irrigation Development</b>	<ul style="list-style-type: none"> <li>• Draft irrigation service regulations in order to establish the relationship among the different participating actors.</li> <li>• Carry out the productive reorganization of current irrigation districts, with special attention to access by and participation of small farmers.</li> <li>• Transfer the administration of existing irrigation districts to competent organizations.</li> <li>• Proceed to the next phase in large irrigation districts that require public investments that transcend government administrations (Tesalia – Paicol, the Tolima Triangle and Ranchería).</li> </ul>
<b>Rural Lands</b>	<ul style="list-style-type: none"> <li>• Finalize pending agrarian processes and move ahead with administrative formalization and restitution processes.</li> <li>• Develop planning programs for Family Farming Units (UAF) and Peasant Reserve Areas (ZRC), and a pilot program for Business Development Areas (ZDE).</li> </ul>
<b>Productive Projects</b>	<ul style="list-style-type: none"> <li>• Develop organizational and self-management capacities so that farmers can take advantage of their assets, such as land and water, for sustainable income generation.</li> <li>• Ensure that productive projects complement other INCODER efforts, such as Peasant Reserve Areas and the support given to organizations of small producers in irrigation districts.</li> </ul>
<b>Differential Focus</b>	<ul style="list-style-type: none"> <li>• Establish a policy for clearing titles, expanding and awarding land to indigenous peoples and Afro-Colombian, Raizal and Palenquero communities, which will serve as a general guide for INCODER.</li> <li>• Engage in consensual planning for indigenous peoples in Cauca.</li> </ul>

<sup>10</sup> Citizens falling below SISBEN III.

	<ul style="list-style-type: none"> <li>Title land on the Caribbean coast, accompanied by productive development projects for Afro-Colombian communities.</li> </ul>
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As a next step, in Q10, the Program will support INCODER in developing action plans that establish annual goals and budgets, with an emphasis on projects, regions and populations prioritized for comprehensive action. The action plans will also establish the activities that will be outsourced and that will be the subject of requests to use future year (*vigencias futuras*<sup>11</sup>) resources, allowing for efficient expenditures, the sustainability and continuity of projects, and economies of scale.

**Milestone 1.2.6 Reform of MARD Implemented**

**Activities**

**1.2.6.a. Strengthen MARD's inter-sectoral coordination for rural development (education, communications, roads, electricity, waste water management, borders, social protection):**

During the quarter, the Program evaluated the Ministry of Agriculture and Rural Development’s reform proposal and prepared a report with technical comments. The reform envisions the creation of a Vice Ministry of Rural Development. While this initiative entails the provision of public goods to the rural population by the Ministry, it should also ensure the provision of public goods for the generation of productive development (e.g., irrigation systems). The Program’s assessment of the reform also addressed concerns that the organizational structure proposed by the Ministry is weak in its reference to the implementation of Free Trade Agreements,<sup>12</sup> which is one of the most important issues for the country today, with respect to promoting foreign trade and strengthening the domestic market.

At the request of USAID and the High Commissioner of Good Governance, Office of the President, the Program drafted a technical report on an alternative proposal for the Ministry. It that takes into account the MARD-developed proposal, as well as, future challenges the Ministry must confront in regard to developing the country’s agricultural and rural sector.<sup>13</sup> This proposal will serve as the basis for establishing policies and sector institutions; it was validated by a benchmarking exercise in which organizational architectures in several countries were analyzed.<sup>14</sup> The Program drafted proposal describes that the Ministry’s role will be focused on the formulation, monitoring and evaluation of sector policies while sectoral institutions will be responsible for the functions of policy execution, sector regulation and natural resource planning.

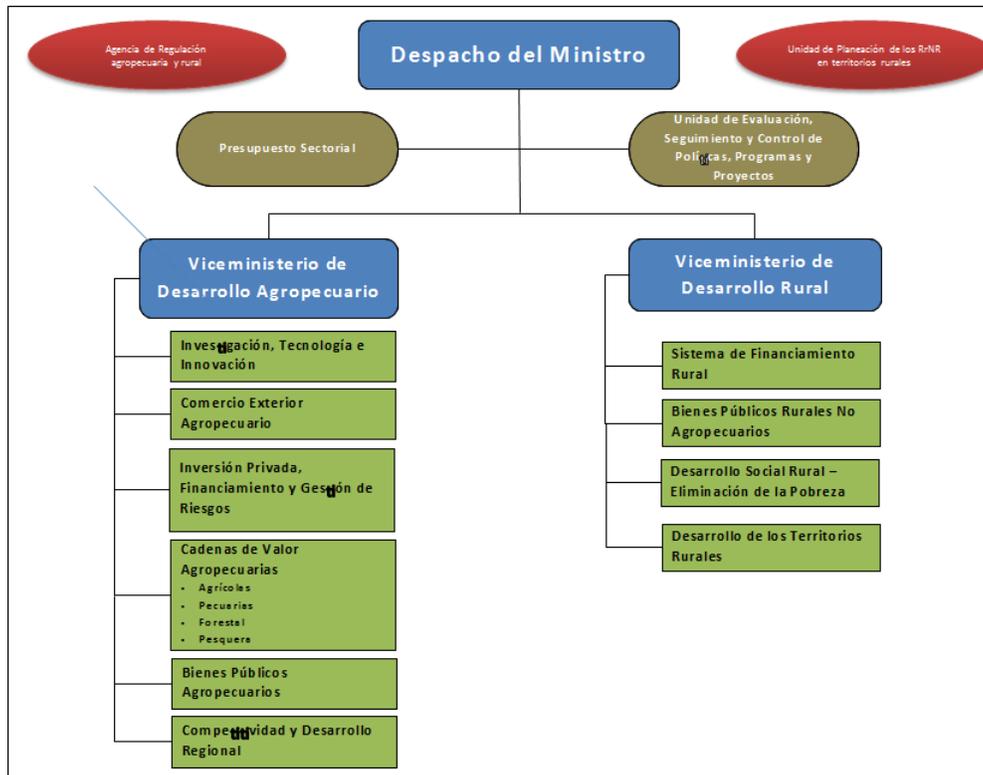
The Program proposal will be presented in Q10 to the MARD, the National Planning Department and the High Council for Good Government.

<sup>11</sup> A “*vigencia futura*” (“future year”) is an authorization by the Superior Council of Fiscal Policy (CONFIS) for the assumption of obligations that affect future fiscal year budgets.

<sup>12</sup> FTAs that have been signed, or are in the negotiation phase.

<sup>13</sup> High, sustainable growth of agriculture and rural activities; progressive, equitable and dignified conditions for the rural population; the protection, management and proper and sustainable use of natural resources; the capacity to feed the Colombian population; the impact of climate change; changes in the energy scenario; synergies with the urban sectors; inclusion of small producers in the nation’s agricultural growth and development; sustainable and harmonic development of rural activities; equity/balance in regional rural development; and the State as a provider of public goods.

<sup>14</sup> Australia, New Zealand, France, the United States, Canada, Brazil, Mexico and Chile.



## Q9 Pillar Policy Instruments Delivered

- Security Protocol for LRU personnel, assets and information (Result I.1)
- Comprehensive Rural Development Program with a Territorial Focus (PDRET) established – national roundtable to coordinate the offer of services for the generation of rural income (Result I.2)
- Analysis of lessons learned and best practices for the reestablishment of property rights for displaced persons and beneficiaries of the agrarian reform
- 14 National Planning Department project and budget description formats for 2013 INCODER activities updated

## Pillar Challenges in Q10 & Response Strategy

**Challenge 1: Inter-agency coordination.** The Program is supporting important challenges in the area of rural development and land policies 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 of returns.

In Q10, the Program will continue to support LRU coordination with the Victims' and Consolidation Units. The Program will specifically design a coordination strategy with the Victims' Unit on supporting a sustainable return to their homes for land restitution victims. The strategy will ensure, for example, that the different subsidies provided by each unit (e.g., housing and income generation subsidies) are properly coordinated and information is effectively shared, including shared databases. The social inclusion sector

has traditionally worked in urban areas. The Program supported coordination will ensure that victims' return is properly coordinated with the agricultural sector and the social inclusion sector in rural areas. The Program will also support LRU coordination with the Consolidation Unit in consolidation areas to ensure LRU services are flexible enough to meet region-specific needs and are sufficiently coordinated with consolidation policy.

Successful restitution also requires close coordination with the specialized judges and magistrates that will receive cases for land restitution from the LRU, and with the military and armed forces for security issues to guarantee safe restitution. As such, the Program, in Q10, will deliver support to strengthen judicial capacity through training to coordinate protocols between the Justice and Peace/Victims' Laws and provide expertise to generate knowledge transfer between judges and magistrates working on transitional justice for restitution. The Program will also roll-out the Safe Restitution security strategy and protocol among the LRU's territorial offices and ensure coordination with armed forces stakeholders in at least two focalized areas.

**Challenge 2: INCODER implementation and reform.** With respect to targeting, the INCODER faces the challenge of unifying criteria and identifying populations and territories in order to assist the populations prioritized by the National Development Plan: poor people and victims. From a management point of view, the INCODER should design action plans that include key measures for overcoming the main bottlenecks, and it should design results-oriented management models, product goals and incentives. It should also identify activities that can be outsourced and should package them by region in order to generate economies of scale.

In Q9 the Program concentrated on providing INCODER with the tools to improve its 2012 and 2013 budget execution. During Q10, the Program will assist the INCODER in: consolidating prioritized projects for providing comprehensive assistance; designing outsourcing models (contracting and supervisory schemes); preparing future-year budget requests; and updating additional 2013 official project descriptions and budgets (filed with the National Planning Department) and developing them for 2014. At the same time, Program support activities will strengthen the processes associated with INCODER's planning, programming and execution cycle. This new model will be coordinated with the entity's administrative reform, which will strengthen the structure of the Institute's Secretariat-General and the professionalization of its staff and processes.

**Challenge 3: Institutional Coordination for Generating Rural Income.** The establishment of the Roundtable for the Comprehensive Rural Development Program with a Territorial Focus (PDRET) presents great challenges for the institutions that comprise it. Specific challenges include getting national-level organizations to think about and address rural development issues in prioritized regions given that they normally set policy and design programs and services at a nation-wide level. This makes it difficult to meet government goals for poverty reduction and victims' reparations among specific populations.

Therefore, the Program will provide support, in Q10, the targeting and regionalization of resources and actions in order to achieve a coordinated territorial intervention. While the DNP's Rural Development Directorate is currently coordinating the entities around this initiative, the INCODER should be responsible for leading this process and for hiring the regional rural development manager.

### **Windows of Opportunity**

The peace negotiations between the GOC and the *Fuerzas Armadas Revolucionarias de Colombia* (FARC), launched on October 18 in Oslo, represent an opportunity to re-open discussion on agricultural reform and processes. The jointly developed negotiation agenda for land policy reflects a basic consensus on

Colombia's fundamental agrarian problems and, in some cases, suggests solutions - property formalization, the closing of the agricultural frontier and protection of forest reserves. In particular, discussions could result in a renewed focus on these issues in the Program-supported Land and Rural Development Bill that is under discussion. This could lead to important innovations in the regulation and implementation of agrarian processes and other land access instruments.

## **PILLAR 2: VICTIMS' POLICY**

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The Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law) signed on May 25, 2011 establishes a new legal framework to be implemented over the course of ten years for reparations for 4 million victims (90% of whom were displaced into abject poverty). The Victims' Policy Pillar provides technical assistance to the Government of Colombia (GOC) in relation to the implementation of the 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). To date, the Program has made important contributions to the legal and the national level institutional structure for repairing victims. Thanks to Program efforts, the Victims' Unit, through December 2012, financially compensated over 130,000 victims and developed over 51,000 individual reparations plans.

Year 3 of Program operations coincides with the GOC's ambitious goal of territorial deployment of the Victims' Law and facing the challenge of institutionalizing the important management support it has provided to date. The Program is working to generate mechanisms to ensure the institutional framework designed for victims' assistance and reparations is effectively implemented at the regional level and is flexible enough to respond to specific territorial needs and victims' needs.

In Q9, the Program worked towards the aforementioned GOC goal by supporting:

- A strategic review of the 42-entity National System for Victims' Assistance and Comprehensive Reparation (SNARIV) from the perspective of the added value of working as a system for the effective realization of victims' rights;
- Provided technical and methodological assistance to the Victims' Unit and its directorates during the 2012-2013 review and strategic planning process;
- Support Nation-Region coordination by analyzing different mechanisms for coordination and interaction between the national level and the territorial entities;
- Supported the Victims' Unit in providing administrative compensation to minors, by providing technical assistance for the constitution of trust funds, as required by law.

During Q9, accomplishments under this Pillar were numerous, the most significant being that, with the technical support provided, the Victims' Unit completed a competitive selection process in which it awarded Fiducolombia a contract to manage minors' reparations funds in a trust, as required by the Victims' Law. The Government of Colombia seeks to provide monetary reparations to over 1 million victims over the next 10 years in the amount of US \$3.6B, which includes approximately 50,000 minors that will receive compensation in the range of US \$161M. The constitution of this trust fund will ensure that administrative and judicial compensation for minors is kept in a safe and profitable place until they reach adulthood. Fiducolombia is the largest trust company in the country, and its national presence ensures wide coverage and will facilitate compensation payments to victims.

In addition, the Program's instrumental support in designing a transparent competition process and selection criteria enabled the Victims' Unit to execute US \$21.9M before the end of its fiscal period and generated savings in operations costs originally estimated by the Victims' Unit to be one minimum wage per child (approximately US \$2M in total), to a total of only US \$50,560 (See *Activity 2.2.2.b. for additional information*). To ensure victims effectively enjoy their rights, they need access to adequate financial services that allow them generate sustainable livelihoods. The Program is working with the Victims' Unit and the financial sector to design and implement financial education programs. These programs aim to increase financial inclusion and promote savings of reparations funds and later, expenditure in areas that contribute to the reconstruction of victims' lives, such as housing, education, rural property and other productive activities.

Another important achievement during this period was the participatory formulation of a Plan to Deconcentrate<sup>15</sup> the functions of the Victims' Unit which came about from the Unit's strategic review and planning process. Program support led to the formation of a culture of planning and participation in the Unit. The Program facilitated this process by designing spaces for participation, negotiation and consensus-building between the national and regional directors, in which they established the activities that could be carried out at the territorial level, with the sole and exclusive criteria of benefiting the victims. This Deconcentrated Plan contributes, first of all, to keeping the policy focused on the victims themselves; second, to a more efficient linkage of the victim to the services offered; and third, to increasing efficiencies within the Unit so that the processes can be expedited (See *Activity 2.1.2.a.*). To do this, the Program assisted the Unit in reviewing its 2012 efforts and redefined what the roles and responsibilities should be in each of the follow Unit areas: Reparations, Social and humanitarian management; and Institutional management. The Program also helped the Unit to explore how the work of each area overlaps and supported the areas in developing inter-institutional agreements regarding their shared responsibilities and the role of each area in meeting relevant requirements. Thanks to this support, the Unit now has a clear vision of what its strengths and areas for improvement are. Specifically, it will work on improving the following: having an integral vision; assertive communication techniques; improved understanding of the role of the upper management team; generating a perspective of unity; time management; promoting spaces for reflection and discussion; and orienting work towards results.

## Results, Milestones and Activities

### Result 2.1: Victims' Law Institutions Designed

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

##### Activity

**2.1.1.a. Harmonization of DPS activities:** In Q9 the Program carried out an assessment of the Department of Social Prosperity and presented its finding in an analytical report in support of the Department's efforts to harmonize its ongoing programs that included recommendations such as:

- Programs such as *Familias en Acción*, a leading DPS program, are strategic and reaffirm the entity's mission to complement the income of the poorest. However, there are programs that,

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<sup>15</sup> *Deconcentration*: "The process by which the agents of central government control are relocated and geographically dispersed" (Sayer et al.) or "Administrative decentralization, i.e. a transfer to lower-level central government authorities, or to other local authorities who are upwardly accountable to the central government" (Ribot 2002 in Larson). Source: [http://www.cifor.org/publications/pdf\\_files/interlaken/Compilation.pdf](http://www.cifor.org/publications/pdf_files/interlaken/Compilation.pdf)

in spite of their strong design, have management problems. The Peace, Development and Stabilization Program, for example, needs to be improved because it carries high fiscal risks and currently is low impact. Other programs would be most effectively managed by other sectors. Additionally, the Program recommended re-thinking DPS productive inclusion programs because they were found to be insufficient to achieve their goals and limited in territorial relevance.

- Recommendations to relocate the following programs to other institutions: For example: *Familias en su tierra* (Families in Their Land) to the Victims' Unit; the Food Security Network to the Colombian Institute for Family Well-Being (ICBF); *Música para la reconciliación* (Music for Reconciliation) to the Ministry of Education; and *Infraestructura y habitat* (Infrastructure and Habitat) to the Ministry of Housing, City and Territory.

From an Income Generation Policy point of view, it is important that the DPS develops a clear understanding of the differences, contradictions and synergies that exist between the administration of subsidies and the generation of capacities and access to assets. In the medium term, intervention by means of conditional subsidies should be reduced, while the management of income generation programs should be strengthened structurally so that the interventions can be scaled up to the required dimensions through the coordination of public and private efforts.

Overall the Program's proposals regarding the 24 DPS administered projects were accepted by the Government of Colombia (GOC). However, recommendations to transfer projects to other entities/sectors raised concerns within the DPS. The DPS explained that the entity decided to implement some projects and programs because other sectors have not taken action to address some vulnerable population problems. The Program countered that the responsibilities of each sector should be respected to avoid weakening State institutions. Rather, the relevant institution should be strengthened in order to manage the required programming/services. Based on these findings, in Q10, the Program will initiate the Harmonization of DPS activities as described in the Program's Year 3 Work Plan and the coordination of Victims' Unit activities with the DPS, in order to impact the GOC's victims' assistance agenda at the territorial level.

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

### **Activities**

**2.1.2.a. Specialized assistance for the Unit's strategic planning and review:** In Q9, the Program provided methodological and technical support for the Unit's strategic review and planning process for 2012-2013. In particular, the Program was successful in developing a culture of planning and strategic revision. The Program was able, for example, to assist Unit personnel in clarifying the difference between a goal, a strategy and an activity, and in helping them to comprehend that each individual's ability to engage in positive management depends on their colleagues' efforts and achievements. Skills in planning and management for Unit personnel translates into a stronger Unit. It strengthens the Unit's role as a coordinating entity and its ability to properly manage the 42 institutions that form the National System for Victims' Assistance and Comprehensive Reparation (SNARIV). Program support throughout the Unit's 2013 planning process was provided in the following stages:<sup>16</sup>

i) **Updating and Appropriation of Knowledge** of all Unit processes by the staff, including norms, processes, roles and responsibilities. The Program supported a *Knowledge Fair* methodology that

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<sup>16</sup> Stages i, ii and iii were carried out with funds from the Year 2 Work Plan.

consisted of developing 14 thematic stands (i.e., SNARIV, Nation-Region, Participation, Prevention and Emergencies, Humanitarian Aid, Individual Reparations, Collective Reparations, Return, Ethnic Issues, Other Focuses – Gender, Children, Registry, Psychosocial Issues, Management, and Legal Management) in which national-level officials responsible for each area provided relevant information in the corresponding stand. Participants rotated through each stand, receiving information, asking questions or making suggestions. This methodology allowed for a dynamic, participatory and fluid flow of information among the 80 territorial staff members, 20 territorial directors, and 20 national-level officials from the management and advisory teams.

ii) **Review of Operating Model:** The Victims’ Unit inherited a centralized form of operating from *Accion Social* where the Territorial Directors played a marginal role and all relevant decisions were made in Bogotá. When Decree 4802 of 2011 created the Victims’ Unit (a Program-supported process) the Unit was conceived as a *deconcentrated*<sup>17</sup> entity. This structure was expected to improve on the previous (centralized) scheme that prevented the State’s response from being flexible and tailored to the specific regional context.

In order to clarify the roles and responsibilities of national and territorial offices (based on the institution’s mission, operations and structure), Program experts organized a strategic meeting, using a *Baston de Mando* methodology,<sup>18</sup> to analyze and discuss the structure of the operating model (in terms of roles and responsibilities) in each phase of the deconcentration process: planning, implementation, and monitoring and evaluation. Agreements were reached between the national and territorial teams on roles and responsibilities (see *table below*). These agreements were then formally adopted by the Unit Director and consolidated in an internal document signed by the entire management team. This document established the Guidelines for Deconcentrating Functions to the Victims’ Unit’s Territorial Directorates.

**Table. Strategic Victims’ Unit Processes that will be Deconcentrated**

Mission/Strategic Process	No. of Activities Analyzed	No. of Activities to be Deconcentrated	% Activities to be Deconcentrated
Humanitarian Assistance	17	13	76%
Individual Reparations	23	23	100%
Collective Reparations	18	18	100%
Participation	6	6	100%
Prevention & Emergencies	25	3	12%

iii) **Strategic Alignment to comply with 2012 Goals:** The Program worked with the Unit to identify courses of action or inter-agency “agreements” in order to ensure compliance with 100% of its 2012 goals, and, to identify those goals that would definitively not be achieved and why. The Program was instrumental in supporting the development of a methodology, called *Tour of Colombia*, in which

<sup>17</sup> *Deconcentration*: “The process by which the agents of central government control are relocated and geographically dispersed” (Sayer et al.) or “Administrative decentralization, i.e. a transfer to lower-level central government authorities, or to other local authorities who are upwardly accountable to the central government” (Ribot 2002 in Larson). Source: [http://www.cifor.org/publications/pdf\\_files/interlaken/Compilation.pdf](http://www.cifor.org/publications/pdf_files/interlaken/Compilation.pdf)

<sup>18</sup> This is a methodology originating from Colombia’s indigenous communities. When the speaker is holding the baton, he/she has the right to speak freely. If the highest authority feels the person has crossed the line, he/she can withhold the baton from the speaker.

each of the 20 Territorial Directorates described the overall state of implementation of activities in their respective jurisdictions and identified pending issues. Directors and Deputy Directors circulated through each of the 20 regional offices to clarify, complement and/or define, together with each Territorial Director, agreements to enable them to address the pending issues. Based on these agreements, the Unit's Planning Office developed a system to monitor compliance, which was applied systematically between October and December and enabled significant progress in the implementation of the proposed activities. For example, the Unit surpassed its initial goal of compensating 110,386 victims in 2012 by providing monetary reparations to a total of 157,011 victims (see *Activity 2.1.2.b. for more information*).

iv) **Review of administrative and support issues:** The 20 Territorial Directors and 5 National-level Directors met in a Program developed “business forum” methodology with each one of the individuals responsible for support processes (i.e., contracts, human resources, commissions and travel, infrastructure, communications, information technologies, internal control, citizen services and planning). The Program facilitated discussions on of the status of needs and requirements, and helped the stakeholders to develop a plan to address these needs. A total of 367 specific commitments were made and documented and they have been monitored consistently by the Unit's Planning Office. The commitments were to be fulfilled in 2012. The Planning Office does not yet have the results available on number of commitments met. However, overall the Unit has positive results in 2012.

v) **Development of a Transition Plan for the operational implementation of the deconcentration model:** The Program, in close coordination with the Unit's National Technical Directors and the 7 Territorial Directors, worked to define a strategy addressing how the deconcentration guidelines adopted by the Unit could be implemented (see *section 2.1.2.a.ii.*). This exercise required that those involved in the transition plan acquaint themselves beforehand on the processes, sub-processes and activities of each office, in order to determine what could be deconcentrated immediately, in the medium term and in the long term, as well as the additional resources required to do this and/or redistribute already available resources. As a result, the Unit made specific decisions about what would begin to operate in a deconcentrated manner and when. As a next step, the Program is analyzing the financial costs and technical requirements of the deconcentration plan to ensure it is viable. The Program is supporting this process with technical assistance to the Unit in order to analyze how the operational system is functioning and to monitor actions related to the transition plan in order to identify potential issues, and suggest solutions (including potentially deconcentrating additional functions) in a timely manner to ensure the success of the new operating model. The results will be available in Q10.

iv) **Preparatory Strategic Planning Workshops for each Unit Directorate:** In order to review and evaluate the Unit's 2012 goals and identify the priorities for 2013, the Program held one- or two-day sessions with the Unit's National Technical Directorates (i.e., the Inter-institutional Management Directorate, Reparations Directorate, and Social and Humanitarian Action Directorate) and with the Sub-Directorates' advisory and management teams. This exercise provided each sub-directorate with an opportunity to reflect on and negotiate goals and helped to develop team spirit and a sense of ownership within each directorate. It also created synergies and promoted coordination among the directorates. Prioritizing goals and engaging in group strengthening was an essential part of the Unit's planning process.

v) **2013 Strategic Planning for the Victims' Unit:** Program experts led a two-day strategic planning exercise with 90 participants from the Unit's management, advisory and operational teams. Participants discussed the Unit's deconcentration plan and approved its implementation as of January 1, 2013. The

group also formulated the Unit's 2013 goals and identified strategies to reach those goals and address potential challenges. As a result of Program assistance, goals were regionalized and a contracts plan was established. These accomplishments were made possible through preliminary planning sessions that the Program carried out with different Unit directorates at the national and territorial level.

The Strategic Planning exercises were carried out using a rapid-response, participatory, and collegial methodology. This methodology, which was considered a success, constitutes a good practice for participatory strategic planning and the tools developed for this process could be replicated in other contexts and with other Program-supported entities.

**2.1.2.b. Strengthening of the Unit's contracting and budget execution mechanisms and tools:** In order to maximize the efficiency of the Unit's contracting process to ensure a timely and sustainable response to victims, the Program supported the Unit's General Secretariat with two legal experts with extensive contracting experience. These experts started, and will continue, to work with the Unit to improve the contracting processes, and reduce the backlog that delayed budget execution in 2012. As a result of the Program's continued technical assistance in Q9, it was reported that, in 2012, the Victims' Unit outperformed all Social Prosperity Sector entities by executing 92.2% of its investment budget (US \$574M) and 83.1% of its operations budget (US \$426M). Given that 2012 was the Unit's first year of operation, and that its budget of US \$1B accounted for nearly 20% of the Sector's total budget, this achievement is significant. Due to the Unit's efficient budget execution, the Ministry of Finance, in the final quarter of last year, awarded an additional US \$71.6M to the Unit to execute in 2012. Of this total, US \$33.7M was allocated to humanitarian assistance, and US \$37.9M to the Victims' Reparations Fund. Thanks to this additional funding, the Unit surpassed its initial goal of compensating 110,386 victims in 2012 by providing monetary reparations to a total of 157,011 victims.<sup>19 20</sup>

#### **YR2 WORK PLAN:**

**2.1.2.b. Inclusion of cross cutting subjects into processes and programs inside the Victims' Unit: Discussion promoted on gender, ethnicity and participation.** The Program is supporting the design of an operational model for the Victims' Unit that ensures the incorporation of differentiated approaches based on ethnicity, gender, and disability (when relevant) into the processes of designing the Unit's assistance, attention and reparations measures. The Program is also working to include participation as a cross-cutting design mechanism in these three areas. The model seeks to ensure that the services offered by the institutions that form the SNARIV address the needs of all victims (based on their particular conditions), to ensure the full realization of their rights.

In order to support this model, in Q9, the Program worked with an expert firm to carry out three field visits to areas with significant volumes of victims of conflict (i.e., Medellín, Pasto and Buenaventura). Victims were consulted to learn if a differential focus had been incorporated or not into services they had received. Special efforts were made to ensure proper sampling procedures were carried out and to ensure the "Do No Harm" principle was applied in all interactions with victims. The results of these visits will serve as input for the Program to analyze the implementation of differential approaches in delivering services to victims. The Program initiated the analysis in Q9 and it will be finalized and presented to the Victims' Unit in Q10.

<sup>19</sup> This represents a 209% increase over the 75,006 victims compensated in 2011.

<sup>20</sup> As victims of internal displacement are not eligible for monetary compensation under the Victims' Law (Law 1448/2011), the aforementioned achievements were related specifically to non-displaced victims.

## **Result 2.2: National Plan Victims' Humanitarian Assistance and Reparations**

### **Milestone 2.2.2 Improved service delivery for victims**

#### **Activities**

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

***Advise the Victims' Unit on complying efficiently and in an expedited manner with mandates regarding payment of humanitarian assistance and reparations for victims of conflict (Access to Finance Activity 5.2.b.):*** During Q9, the Program provided expert financial and legal advice to the Victims' Unit on structuring and implementing trust funds to manage minors' reparations funds (as required by the Victims' Law),<sup>21</sup> and made recommendations to the Victims' Unit on the best mechanisms to award humanitarian assistance and reparations payments that will amount to over \$900M over the next 10 years.

The Program carried out a market study on trust companies in Colombia to provide the Unit with the financial analysis and objective parameters needed to design the bid process for trust companies to compete lead the administration of minors' reparations funds. As a result of this work, in record time (one month) the Victims' Unit carried out a competitive selection process, in which seven trust companies were invited to participate and two presented proposals (Fiducolombia and Colpatría). The award went to Fiducolombia based on its ability to offer lower costs to administer the funds. The competitive selection process led to an annual savings of US \$1,950,000 in comparison with the Unit's original calculations (the administrative cost will be US \$50,000 per year instead of the originally calculated US \$2M). The trust was constituted with US \$22M corresponding to the 7,052 minors that have been compensated to date under the Victims' Law. Each minor received US \$3,000 on average. Fiducolombia will also manage the payment process when the minor reaches 18 years of age. It is estimated that 700 individuals will be eligible for payment in 2013.

Given that a crucial aspect of the implementation of the Victims' Law is the design of efficient payment mechanisms to disburse humanitarian aid and administrative/judicial reparations funds, the Program, in Q9, provided additional support to the Victims' Unit in studying mechanisms for awarding these payments. Potential mechanisms must ensure efficient administration of these resources (US \$920M/year), minimize the financial costs of the payment process, diversify payment channels, improve customer service, and, in the provide options that promote savings and suitable investment of reparations funds. The Program also studied the possibility of making these payments through the recent DPS award to Davividenda and Banco Agrario to make conditional transfer payments to *Familias en Accion*, since this contract allows for payments from other programs. Program analyses served as the Unit's knowledge base for decision making on awarding payment mechanisms.

***Pilot to promote financial inclusion of compensated victims and provide assistance to enable reparations resources to contribute to rebuilding victims' lives (Access to Finance Activity 5.2.c.):*** The Public Policy Program supports the GOC in promoting financial inclusion for victims of the armed conflict. During Q9, the Program, together with the Victims' Unit, the National Learning Service (SENA), *Banca de las Oportunidades* and ASOBANCARIA, developed the content and materials for a financial

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<sup>21</sup> Law 1448/2011. Under this Law, the Victims' Unit is responsible for depositing minors' reparations funds in a trust fund available to the victim once they have reached 18 years of age.

education program for victims. This program was pilot tested on December 5 and 6 in the municipalities of Tame and Arauca, with the victims of the paramilitary group *Bloque Vencedores de Arauca*.<sup>22</sup> The Program also supported the Victims' Unit in developing financial inclusion fairs for these victims.



Financial education session, Arauca, Dec 2012.

At the end of December 2012, 118 victims of the *Vencedores de Arauca* received judicial reparations in the order of US \$2M. The average per Victim was of US \$17,550, but some received up to US \$50,000 (see *Table 1*). In order to support the Victim's Unit in encouraging an appropriate investment of these resources and prior to paying the reparations, the Program supported the Unit in carrying out financial education sessions and financial fairs to promote the savings of these funds in projects to contribute to the reconstruction of victims' lives (housing, education, land and productive activities). The financial education program was tested, including a special pilot program with minors. Eleven minors, between the ages of 12 and 17 years of age, attended a workshop in which they used artistic techniques, such as dance and drawing, to express violence they witnessed, analyze the effect it has had on their lives, "burn" negative experiences in a symbolic fire, and envision their life plan, goals for the next 10 years and the steps necessary to reach them. Participants also had the opportunity to analyze the role of their monetary reparations in fulfilling their ambitions if funds are properly invested and used in a responsible manner<sup>23</sup>.

The Public Policy Program's efforts led to an 89% participation rate in the sessions (105 victims out of a total of 118; 94 adults and 11 minors (see *Table 2*)). Additionally, 4 financial entities (*Davivienda, Bancamía, Banco Agrario, and Fondo Nacional del Ahorro*) participated in the financial inclusion fairs offering savings accounts, term deposits and life insurance products.



Minors dance without moving their legs (like palm trees) to understand that, to weather the storm of life, it's important to stand on solid ground with strong roots.

In Q10, the Program, together with the Victims' Unit, will use lessons learned from this initial pilot to continue expanding the financial education program among the victims being compensated as a policy instrument to promote financial inclusion.

<sup>22</sup> The *Vencedores de Arauca* Block of the paramilitary group United Self-Defense Forces of Colombia committed rapes, murders forced displacement, between 1998 and 2005 in rural areas of the Department of Arauca.

<sup>23</sup> The pilot with minors was carried out in Alliance with the NGO Plan International.

**Table I. Compensations for victims of paramilitary group, *Vencedores de Arauca***

Amount of Compensation (USD)	# Victims Compensated	%
\$5,550 - \$11,100	44	37%
\$11,101 - \$16,600	23	19%
\$16,601 - \$22,200	4	3%
\$22,201 - \$27,770	21	18%
\$27,771 - \$33,330	16	14%
\$33,331 - \$50,000	10	8%
<b>Total</b>	<b>118</b>	<b>100%</b>

**Table 2. Participants in financial education sessions and financial inclusion fairs**

Age	# Victims	%
10-25	14	15%
26-35	16	17%
36-45	30	32%
46-55	16	17%
56-65	9	18%
66-75	5	8%
Did not say	4	4%
Subtotal Adults	94	
Subtotal Minors	11	
<b>Total</b>	<b>105</b>	<b>100%</b>

### **Milestone 2.2.3 SNARIV Strengthened to Monitor Agency Action Plans**

#### **Activity**

**2.2.3.a. Strengthening the SNARIV: Strategic Review of the SNARIV.** In order to ensure National System for Victims' Assistance and Comprehensive Reparations (SNARIV) coordination mechanisms are functioning and the system is properly implemented, in Q9, the Program facilitated the 2012-2013 evaluation of SNARIV performance through a participatory methodology. Representatives from 10 technical subcommittees and 70 management and advisory staff from the 42 SNARIV entities participated.

This quarter, the Program prepared and presented a preliminary assessment to the SNARIV's main governing authorities and GOC entity representatives (Victims' Unit, Director of Inter-institutional Management, Ministry of Interior and Ministry of Finance). Based on this information, the aforementioned group, with the Program's support, established strategies for acting as a coordinated system in 2013. The Program then, based on these strategies, facilitated a discussion with the group on the added value of functioning as a system and how this directly contributes to victims' effective enjoyment of their rights. Finally, the Program led the group in analyzing whether or not the SNARIV's current operating model is the most appropriate to meet the aforementioned goal. After dividing into interactive working groups, groups were able reach consensus on proposals to improve and/or modify the existing operating model to accommodate coordination strategies established for 2013.

As a result of this exercise, the group came up with three different proposals to improve or modify the SNARIV's structure and operating model. The proposals will soon be presented for approval by the SNARIV Executive Committee, headed by the President of Colombia. If the recommendations are adopted, this will have a very positive impact on the operation of the SNARIV; services will be better coordinated and therefore have greater impact on victims. Another significant achievement of this activity is the recognition by SNARIV subcommittees that it is important to provide spaces for coordination and reflection because they contribute to developing a systemic vision.

A crucial aspect of ensuring a properly functioning SNARIV is the development of the State's understanding of when a person is no longer vulnerable. It is imperative the State know when the minimum subsistence level has been reached so that it can make best use of available humanitarian aid resources. This ensures that limited resources are only distributed to those that are meant to be served by the Victims' Law, and those people who have achieved the minimum subsistence level can access other types of measures that are better geared to their needs.

The mainstreaming and application of a minimum subsistence index by the 42 entities that form the SNARIV will facilitate: i) The focalization and prioritization of activities contained in the SNARIV's Action Plan to achieve a greater impact on victims; ii) Demonstrating the SNARIV's implementation in terms of efficacy, inter agency coordination and system integrity; and iii) Making the necessary adjustments to achieve closer coordination and achieve a greater impact by all the entities that form the SNARIV to achieve minimum subsistence for victims.

The Program also continued support for the Victims' Unit, with a constitutional law expert, to develop a minimum subsistence index<sup>24</sup> that is compatible with already existing databases containing the information on victims and is in conformity with the guidelines of the Constitutional Court regarding the definition of minimum subsistence. The Program facilitated a space for internal discussions between the Victims' Unit and the legal expert regarding the index. The first draft of the index should be ready in early 2013.

### **Milestone 2.2.4 Support implementation of Cessation of Vulnerability Index**

#### **Activity**

**2.2.4.a. Determining when condition of vulnerability of victims ceases:**<sup>25</sup> In Q9 the Victims' Unit and the National Planning Department initiated internal discussions on the Program-developed index that measures when the condition of vulnerability of victims ceases. Once these GOC entities come to an agreement, the index will be presented for consideration to victims, the Constitutional Court and other State entities. The Program will provide technical support to socialize the Index among the aforementioned stakeholders and ensure the index will be operational.

Adopting this index will positively affect the GOC agenda, potentially redirecting technical efforts and budget allocations towards the most vulnerable population. This indicator will also allow the GOC to

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<sup>24</sup>**Reaching a level of minimum subsistence** refers to the minimum conditions a human needs to subsist, in terms of nutrition, housing, medical services, and sanitary conditions. Reaching a minimum subsistence level is the first step towards ending vulnerability but is not sufficient to do so.

<sup>25</sup> **When the condition of vulnerability ceases**, this refers to a state in which the victim is effectively enjoying his/her rights and has been able to reestablish him/herself socially and economically and his/her rights have been reestablished. **Reaching a level of minimum subsistence** refers to the minimum conditions a human needs to subsist, in terms of nutrition, housing, medical services, and sanitary conditions. Reaching a minimum subsistence level is the first step towards ending vulnerability but is not sufficient to do so.

measure the impact of its assistance policy and, consequently, make the changes necessary to overcome the unconstitutional state of affairs declared by the Constitutional Court in 2004.<sup>26</sup>

### **Milestone 2.2.5 Design and implementation of regional reparations plans**

#### **Activities**

**2.2.5.c. Regulation of the System of Joint Responsibilities:** The Program initiated its work on the regulation of the System of Joint Responsibilities by building knowledge among Victims' Unit and Ministry of the Interior staff regarding the concepts that underpin the system (i.e., subsidiarity, complementarity and concurrence).<sup>27</sup> The Program supported several meetings with an expert that explained, in depth, the aforementioned concepts, how they operate, how they can be implemented, their benefits and the legal basis for their implementation. These sessions were also used to propose legal and/or administrative modifications that are needed to clarify the scope of the Joint Responsibilities System regarding victims' assistance. As a result of Program efforts, the Victims' Unit and Ministry of Interior engaged in a participatory construction of the proposed Regulation of the Territorial Joint Responsibilities System for the implementation of the Victims' Law.

Simultaneously, the Program worked with experts to develop a joint responsibilities proposal for the implementation of an income-generation policy for the victims of the armed conflict, as well as a draft bill that would serve as the legal underpinning of the proposal. This document presents different strategies to enable this population to generate income and thus improve its quality of life. Mechanisms were proposed to facilitate the design of a system of joint responsibilities between the different levels of government to ensure the effectiveness of government action and guarantee victims' effective enjoyment of rights. Program inputs have been used by the GOC (specifically the National Planning Department) to prepare official responses to the Constitutional Court regarding the state of unconstitutional affairs in regards to victims of armed conflict.

#### **Q9 Policy Pillar Instruments Delivered**

- Victims' Unit Deconcentration Plan
- Evaluation of the Victims' Unit and the 3 Technical Directorates' 2012 Goals
- 2013 Goals for the Unit and each Directorate
- Agreed upon proposals to improve and/or modify the SNARIV
- Joint Responsibilities Proposal for the Implementation of the Income-Generation Policy for Victims of the Armed Conflict
- Draft Bill with measures to generate income for the victims of the armed conflict (legal underpinning of joint responsibilities proposal).

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<sup>26</sup> Constitutional Court Sentence T-025 of 2004.

<sup>27</sup> Complementarity: The Nation and the Territorial Entity lend mutual collaboration to improve service delivery or compliance with an obligation. Subsidiarity: The Nation directly assumes an obligation assigned to the Territorial Entity. Concurrence: The Nation and the Territorial Entity act jointly in a timely manner, respecting each other's scope of action.

## Q10 Pillar Challenges & Response Strategy

**Challenge 1: Nation-Region Coordination.** One of the major obstacles to the implementation of victims' policies at the regional level is the lack of a mechanism that defines responsibilities within the nation-region relationship, in accordance with the following criteria:

- i) **Complementarity:** The Nation and the Territorial Entity lend mutual collaboration to improve service delivery or compliance with an obligation.
- ii) **Subsidiarity:** The Nation directly assumes an obligation assigned to the Territorial Entity.
- iii) **Concurrence:** The Nation and the Territorial Entity act jointly in a timely manner, respecting each other's scope of action.

Therefore, the Program is supporting the development of the required regulation for the Joint Responsibilities System. The System establishes objective criteria for decision making with regard to: i) the desirability of adopting the principles of complementarity, subsidiarity or concurrence in the nation-region relationship; and ii) the obligations under the Victims' Law that these principles will be applied to. The assignment of responsibilities within the Joint Responsibilities System is not just a technical decision. It also must take into account political agendas. Therefore, the Program support will include the generation of inter-agency dialogue to ensure government support for and success of the proposed regulation.

### Windows of Opportunity

The Program formed a special relationship with the GOC through the support provided to the SNARIV (which is formed by 42 entities with jurisdiction at both the national and local level) for the design of the methodology and facilitation of the Unit's 2012 and 2013 strategic planning and review processes. This constitutes an opportunity to exercise greater influence in the formulation of victims' public policy, beyond the scope of the Victims' Unit. Based on efforts to date, the Victims' Unit, in charge of coordinating the System, has requested that the Program design a methodology and facilitate phase II of the SNARIV strategic review and planning process.

The Program believes that this poses an opportunity to positively impact the strategic and systemic vision of the SNARIV as well as the agendas of the 42 entities at their distinct levels of responsibility. It is also an opportunity to contribute to greater coordination between these entities so that their action plans more clearly reflect interconnectivity and not just their individual responsibilities. Although the Program has developed important inputs and contributed to the formulation of the policy that created the SNARIV, previously the GOC managed the SNARIV subcommittees and its Executive Committee without much outside input. This new request for closer accompaniment constitutes a great opportunity in 2013.

## PILLAR 3: CONSOLIDATION POLICY

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In Colombia, where the State has been unable to gain control of an area, illegal armed groups have succeeded in establishing territorial control, financing their activities through illegal economic activities including production of coca, extortion, and illegal mining. The underpinning of the National Consolidation Plan is the creation of alliances between communities and the State, based on an irreversible dynamic which focuses on providing target communities with the services reasonably expected of any democratically-elected government, economic development, regional integration, and citizen empowerment. The plan has prioritized seven zones (13 departments and 58 municipalities) which are predominately rural, overwhelmingly poor, and which represent nodal points in the conflict.

The Program has made important contributions in defining the National Consolidation & Reconstruction Policy (NCRP), ensure the NCRP operation through the creation (via Decree 6141/2011) and institutional strengthening of the Special Administrative Unit for Territorial Consolidation and Reconstruction (Consolidation Unit), and ensuring harmonization of the NCRP with other key government policies at all levels of government.

In Q9 the Pillar worked to:

- Improve State presence in consolidation zones through support for Rapid Response Program implementation which develops small and medium infrastructure projects, strengthens community-level economic and social opportunities and provides community transition assistance in order to build trust between the population and the State;
- Ensure service provision in consolidation zones meets regional needs by analyzing how sectoral services can be adapted for consolidation zones;
- Ensure government coordination (nation-region and sectorial coordination) to enhance impact in Consolidation zones, including promoting formal agreements on joint strategy between the Consolidation Unit and the Victims' and Land Restitution Units;
- Support the National Planning Department (DNP) and the Consolidation Unit, and coordinate with USAID's strategic allies in strengthening territorial institutions' capacity to formulate projects in order to access royalty resources;
- Strengthen strategic areas of the NCRP policy instrument and coordinate with the Ministry of Defense on key issues and ensure consolidation.

In Q9 the Program had two major accomplishments. The Program was successful in coordinating with the representatives of the six *Contrato-Plan* agreements, to raise awareness regarding consolidation needs. As a result the *Contrato-Plan* agreements now include projects that work to increase territorial consolidation and reconstruction, and 18 consolidation municipalities<sup>28</sup> are included within the *Contrato-Plan* agreements. Program efforts were leveraged by the Consolidation Units for its negotiations with national-level entities to identify priority interventions for all consolidation zones. As a result, the Consolidation Unit was successful in leveraging nearly US \$1B in investments for consolidation zones in 2013.

This quarter, the Program also supported the Consolidation Unit in defining the indicators that will form part of the monitoring system that the Unit will use to track execution against activity and budget commitments made by national entities in consolidation zones. The Unit does not currently have any mechanism for engaging in this type of monitoring, making it difficult to demonstrate results and ensure national entities comply with their commitments. The new dashboard of indicators will provide direct input to the Unit and to the Office of the President, ensuring compliance with established goals and additional political buy-in.

The Program was also successful in structuring and supporting the start-up of the Consolidation Unit's Rapid Response Program (RRP) which is an agile investment mechanism that responds to urgent needs in targeted areas, in order to build trust between the population and the State. As a result, by November 2012 (after only 3 months of operation), the RRP had approved 263 projects with a value of US \$12.5M, executed 77 projects, and had 143 projects in the structuring phase. The Program will use lessons learned from 2012 to improve RRP operations for 2013.

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<sup>28</sup> Tierra Alta, Valencia, Arauca, Arauquita, Cravo Norte, Puerto Rendon, Saravena, Tame, Ataco, Chapparal, Planadas, Rioblanco, Caloto, Corinto, Miranda, Santander de Quilichao, Toribio, and Tumaco.

## Results, Milestones and Activities

### Result 3.1: National Consolidation Policy (NCP) Framework Revised and Under Implementation

#### Milestone 3.1.1 Revised NCP Framework

#### Activities

##### 3.1.1.a. Assistance for developing the Consolidation Policy framework:

During Q9, the Program's technical team continued supporting the Consolidation Unit in reviewing the draft National Council on Social and Economic Policy White Paper (CONPES document) on the National Consolidation Policy, seeking to strengthen strategic areas such as the conceptualization of the policy, the formalization of coordination among State entities, and the general guidelines for improving access and adapting the sectors' range of services offered. Although this document already contains important advances, the National Government is discussing its focus and scope, which could be expanded if the Government decides to include approximately 193 additional municipalities that are part of the Ministry of Defense's "Espada de Honor" Plan. A decision to widen the scope of the policy could affect not only its coverage, but also its conceptual basis,

Sector-specific investments for Consolidation Zones (in millions of USD)		
1	Ministry of Transportation	\$ 363.09
2	Ministry of Housing, City and Territory	\$ 92.08
3	Ministry of Information Technology & Communications	\$ 31.19
4	Ministry of National Defense	\$ 24.53
5	Ministry of Agriculture and Rural Development	\$ 22.52
6	Ministry of Mines & Energy	\$ 15.49
7	Ministry of National Education	\$ 8.46
8	Ministry of Culture	\$ 4.97
9	Ministry of Justice	\$ 0.83
10	Ministry of Health	\$ 0.78
12	Consolidation Unit	\$ 86.69
11	Social Prosperity Department	\$ 100.28
13	Colombian Institute for Family Well-Being (ICBF)	\$ 76.63
14	Victims' Unit	\$ 10.62
15	National Agency to Overcome Extreme Poverty (ANSPE)	\$ 8.06
16	Colombian Agency for Reintegration	\$ 0.34
17	Colombian Rural Development Institute (INCODER)	\$ 17.14
18	National Learning Agency (SENA)	\$ 15.34
19	IPSE	\$ 7.07
20	Banco Agrario de Colombia	\$ 7.18
21	Special Peace Programs Fund	\$ 11.41
22	Land Restitution Unit	\$ 2.68
23	National Parks Unit	\$ 2.08
24	National Planning Department	\$ 0.11
25	Consejo Superior de la Judicatura	\$ 0.31
26	General Attorney's Office	\$ 70.59
27	Public Function	\$ 0.10
28	Agustin Codazzi Geographic Institute (IGAC)	\$ 0.26
<b>TOTAL</b>		<b>\$ 980.84</b>

and it is therefore critical that the potential resulting impacts and opportunities be analyzed in depth. The Program believes a more viable proposal for the Consolidation Unit would be the inclusion of a limited number of municipalities whose conditions are similar to those of the current target zones (6 additional municipalities, for a total of 64) and the Unit could provide limited complementary support to an additional 24 *Espada de Honor* municipalities that share some characteristics with the current consolidation zones.

Unfortunately, because of difficulties encountered by the regional managers and territorial entities in formulating the projects, incorporating them in the sectors' National Investment Program and Project Bank (BPIN) records, and coordinating with the Ministers and the formulation of projects in the regions, the sectors' actual investment in consolidation zones during 2012 was very low.

So, during Q9, the Consolidation Unit validated many of the Ministries' budget commitments for the purpose of including them in the draft CONPES Document and monitoring the execution of these resources during 2012; as a result agreements were made on nearly US \$1B in investments that each

sector will make in the consolidation zones during 2013 (see *table*). The Program supported this effort by helping to confirm budget commitments for consolidation zones that will be covered by *Contrato-Plan* agreements in Nariño, Southern Tolima, and Northern Cauca. Specifically, the Program provided an expert to assist the National Planning Department in its negotiations with national and territorial governments regarding the programs and services to be provided and specific budget commitments.

### **Milestone 3.1.3 Improved service delivery in Consolidation Zones**<sup>29</sup>

#### **Activities**

**3.1.3.a. Support in Enhancing the Flexibility of the National Service Provision to Consolidation Zones:**<sup>30</sup> In Q9, the Program supported the Consolidation Unit in carrying-out a well-defined analysis of nationally available services and programs and the investment commitments that the sectors have made for consolidation zones. Specifically, the Program analyzed what sectoral services and programs consist of, how these are delivered at the regional level, and how these services could be adapted to ensure their relevance for consolidation zones. While this advance is an essential input for expanding access to State services in consolidation zones, achieving this objective is possible only to the extent that the offer can be made more flexible to meet region-specific needs. In Q10, the Program will use these analyses to support coordination between the Consolidation Unit and Ministries to discuss how programs can be adapted to improve access in consolidation zones. In particular, the Program will support the development of methodologies for providing access to services, the selection of beneficiaries, the type of assistance to be provided, coordination with the other State actions occurring in the same zone.

**3.1.3.b. Design and implementation of a dashboard to monitor ministries' commitments:** This quarter, the Program's team of experts is supporting the Consolidation Unit in defining the indicators that will form a dashboard which the President's Office will use to track execution against activity and budget commitments made by national entities in consolidation zones. The Program, in coordination with the Consolidation Unit and the National Planning Department's (DNP) Director of Evaluations, has identified 120 strategic indicators and held 23 negotiating meetings with each of the national entities involved, in order to validate the relevance of the indicators. The Program estimates that, in the final version of the dashboard, approximately 69 sector performance indicators will be included (3 indicators per entity). The Dashboard is expected to be finalized in Q10.<sup>31</sup>

**3.1.3.c. Identify ways to coordinate with key policies:** During Q9, the Program's team of experts, working in a coordinated manner among the three Program policy pillars, made progress in drafting guidelines for coordinating land restitution, victims' assistance and reparations, and territorial consolidation policies. The team made progress in supporting the Victims', Land Restitution, and Consolidation Units in coordinating action on operational aspects of territorial implementation. Specifically, an agreement was signed between the LRU and Consolidation Unit to outline how coordination will work at the territorial level, and, the Consolidation Unit and the Victims' Unit participated in a workshop where they identified activities to be carried out jointly and strategies for

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<sup>29</sup> Year 2 Work Plan Activity "3.1.3.b. Guidelines to customize sectorial services" efforts *are now implemented under Year 3 Work Plan activities 3.1.3.a., 3.1.3.c., and 3.1.4 (Contrato-Plan)*.

<sup>30</sup> Year 2 Work Plan Activity "3.1.1.a. Sector Action Plans for Consolidation Zones" is now covered under Year 3 Work Plan Activity 3.1.3.a.

<sup>31</sup> The indicators that will be included in the Office of the President's Dashboard in this phase are performance indicators that do not measure impact. The impact of the consolidation policy will be measured by the Consolidation Index, which will be designed in Q10 with the support of the Program's experts (*Activity 3.2.1.a.*).

coordination. In Q10, program experts will analyze which synergies should be generated among the aforementioned policies and identify opportunities for boosting their impact.

### **Milestone 3.1.4 Design of Interagency and Inter-Governmental Budget and Coordination Mechanisms<sup>32</sup>**

#### **Activities**

**3.1.4.a. Support Consolidation Unit management coordination mechanisms with other inter-agency development or coordination mechanisms present in consolidation zones:** In Q9, the Program facilitated coordination between the Consolidation Unit and the DNP, to ensure that the pilot *Contrato-Plan* programs would include actions identified in Consolidation Regional Action Plans, as relevant (Montes de María, Southern Tolima, Northern Cauca, and Nariño).<sup>33</sup> The Program conducted 3 workshops for the Consolidation Unit and DNP teams (one each for Northern Cauca, Southern Tolima and Nariño). The workshops were designed to analyze the needs identified by the Consolidation Unit for relevant municipalities and points of synergy in the *Contrato-Plan* portfolio of projects for each region to ensure convergence in priorities. Program subject-area experts participated in these workshops, as did experts that assisted in *Contrato-Plan* negotiation at a national and regional level. Experts assisted the DNP and the Unit in designing a joint action strategy to coordinate the management of sectoral services to be offered in focus regions. The strategy describes that the two entities will: undertake joint visits to relevant Ministries; develop proposals to unify agreements obtained with each sector; and coordinate with territorial entities (to ensure that the negotiation of *Contrato-Plan* commitments with the Ministries include consolidation policy within the regions' development vision and projects).

The Program also supported regional workshops in Montes de María, Pasto, Ibagué, and Popayan which involved government stakeholders, including representatives of the Consolidation Unit. The relevant government stakeholder led the workshops which aligned the interests of each region with the *Contrato-Plan*, and coordinated regional strategies and visions, which include the consolidation policy.

Also, in order to enable better use of the royalty resources that municipalities can access, the Program, in coordination with the DNP, regional USAID strategic allies and the Consolidation Unit, held workshops in a range of Consolidation Zones regarding the implementation of the General Royalties System (SGR) and the formulation and structuring of projects that must be submitted for approval by the Professional Administration and Decision Organs (*Órganos Colegiados de Administración y Decisión – OCAD*) to access SGR funds. Projects were also presented and reviewed in the workshops. Workshop sessions were attended by 180 people, including officials from the mayor's and governor's offices, control agencies, the Consolidation Unit and USAID's regional teams.

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<sup>32</sup> 32 Year 2 Work Plan Activity "3.1.3.b. Guidelines to customize sectorial services" efforts are now implemented under Year 3 Work Plan activities 3.1.3.a., 3.1.3.c., and 3.1.4 (*Contrato-Plan*).

<sup>33</sup> The pilot program will also be conducted in Arauca, but joint work was not performed in that zone because the Consolidation Unit did not have the required work team.

**Result 3.2: Institutional Structure Designed to Implement the NCP at the National and Regional Level**

**Milestone 3.2.2 Design of Consolidation Fund**

**Activity**

**3.2.2.a. Structure flexible budgeting mechanisms:** Based on Program support to structure the Rapid Response Program (RRP), RRP began activities in September 2012 with a budget of US \$15.2M in order to respond to the needs of communities in consolidation zones; 84% of the investment is being made in 456 villages (US\$28,000 per village). The Program designed the legal and operational model for carrying out the RRP; this included providing recommendations on sub-contracting modalities. As a result of this support, RRP was able to hire three operators to carry out implementation: the United Nations Office on Drugs and Crime (UNODC) works throughout the country, while the International Organization for Migration (IOM) manages implementation in southwestern zones, and *Corporación Colombia Internacional* (CCI) manages RRP efforts in northeast Colombia.

In its first three months of operation (Sept-Nov 2012), the RRP approved 263 projects<sup>34</sup> with a value of US \$12.5M, of which one has been completed, 77 are being executed and 143 are in the process of being structured, covering the majority of the RRP's beneficiary population.

Projects	#	%	Beneficiaries	US\$ Million	Municipalities
Community assistance	34	13%	430.079	1,80	26
Income generation	39	15%	4.571	1,69	39
Small Infrastructure	186	71%	36.996	8,07	179
UACT Contracts	3	1%	1.000	0,93	1
<b>TOTAL</b>	<b>262</b>	<b>100%</b>	<b>472.646</b>	<b>12,49</b>	<b>245</b>

Seventy-one percent of approved resources (US \$8.07M) is oriented towards small infrastructure projects that will benefit 37,000 people, 13% is focused on community assistance (US \$1.8M), which will cover the needs of 430,000 people, and 15% supports income generation projects (US \$1.7M).

Based on the Program's innovative operational model, in September, its first month of operation, the Consolidation Unit's RRP was able to rapidly start up, and focused on approving projects, and it was successful in approving, and awarding to RRP operators nearly 100% of the total amount of available investment funds. In October, operators made field visits and identified implementation bottlenecks (particularly in infrastructure projects).

In Q9, the Program assisted the RRP in monitoring its implementation in the final months of 2012. Many of the projects were delayed while operators sought mayoral approvals and construction licenses and carried out required land surveys. As of December 31, 2012 the Program forecasts the completion of 180 projects. The Program identified problems and difficulties in the execution of the RRP, particularly in

<sup>34</sup> Projects must fit into one of the following three technical focus areas: **Small and medium infrastructure projects:** social infrastructure or infrastructure of collective interest; **Community Transition Assistance and Welfare:** emergency assistance where expeditious action can mitigate deterioration of consolidation advances; and **Community Income Generation:** generate income and short-term food security.

terms of the expectations that existed in relation to the capacity of the regional teams to lead the process and manage projects formulated to enable their rapid approval and execution. In addition, the operators selected to implement the Program in the regions demonstrated weaknesses in their capacity to execute it in the field. These results suggest that the operating model should be reviewed in order to improve the process for 2013 (resources totaling US \$6.1M). The Program and RRP coordinating team also concluded from these monitoring meetings, that it would be essential to conduct a bidding process during the next period to ensure the participation of private operators with efficient operating capacity and more experience in the execution of these types of projects.

### Q9 Policy Pillar Instruments delivered

- An updated draft of the National Consolidation Policy CONPES Document
- A written proposal to the Consolidation Unit and Ministries regarding indicators that should be included in the Office of the President's Dashboard
- 7 workshops on coordination between Consolidation Policy and the *Contratos-Plan*
- Drafts of the Strategic Agreements for the pilot *Contratos-Plan* that include the priorities identified by the Consolidation Unit in each zone
- 7 local workshops on the new General Royalties System

### Q10 Pillar Challenges & Response Strategy

**Challenge 1: Strengthening Policy Documents:** One of the most important challenges in the next quarter will be obtaining GOC approval of the National Consolidation Policy CONPES policy document and ensuring that it includes: (i) a mechanism and entity for coordinating with the sectors on interventions in consolidation zones, led by the High Commission for National Security and the Director of the Consolidation Unit; (ii) general and specific guidelines for making the delivery of sectoral services and programs more flexible in consolidation zones; and (iii) a dashboard of indicators, which will serve as a mechanism for monitoring the coordinated performance of the Ministries and the Consolidation Unit.

In order to address this challenge, the Program will provide technical support to the Unit in modifying the CONPES document, strengthening the way in which the Consolidation Unit carries out inter agency coordination. The creation of an empowered inter agency coordination system will facilitate NCP implementation at the local level; the roles and responsibilities of each entity within the system will be formalized, as well as, decision-making and implementation bodies, and the instruments for defining, facilitating and monitoring commitments by sectors. Program support will include the development of tools to properly monitor performance of ministries and the Consolidation Unit in consolidation zones.

In order to ensure government services accurately address consolidation zone needs, the Program will work to provide recommendations to sectors on how they should modify or improve their service program delivery to better serve consolidation zones. This support will specifically focus on infrastructure related to roads, basic sanitation, energy and telecommunications, and health and education. The Program will then help the Unit to negotiate required changes with each sector.

**Challenge 2: Strengthening Rapid Response Program:** The Program and the RRP coordinating team identified that one of the biggest obstacles in implementing the Rapid Response Program (RRP) is that cooperation agreements (with the International Organization on Migration in particular) require the RRP to comply with United Nations hiring manuals that have complex procedures that make implementation difficult. Also, the project design process requires strengthening to ensure it can be executed immediately upon its approval. This will require training the territorial offices and improving the project

approval criteria. Finally, an adequate cascading supervision model is needed to ensure quality, timeliness and effectiveness in the use of the resources.

For this purpose, the Program will perform an analysis of the 2012 operation of the Rapid Response Program and, based on the lessons learned, will strengthen the existing operating model so that the available resources can be executed during Q10 in order to open and close the public bid required for the hiring of operators and the commencement of the execution phase. Specifically, the Program will work to strengthen the following aspects of its operational model: project formulation, project selection criteria and project monitoring and supervision.

### **Windows of Opportunity**

The High Commission for Good Governance, the Consolidation Unit and the DNP are working together on developing a model pilot program in Chaparral to ensure the active presence of national services provided through a citizen assistance center. This model will involve the direct provision of services by national entities to meet the needs of the municipality's citizens. The Program's technical team will participate in this strategy in order to integrate many of the efforts that it has been making in this consolidation zone.

## **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 4. GENDER**

The 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; providing recommendations for reforms; and supporting participation with a gender focus in discussion of reforms and facilitating discussions of international best practices.

In Q9, the Program made headway in introducing a gender mainstreaming approach into victims' assistance. The Program met with representatives of the Department of Social Prosperity and the National System for Victims' Assistance and Comprehensive Reparations' (SNARIV) to sensitize them to opportunities for gender integration. In Q10, The Program will support a workshop with the two entities so that they can jointly to identify mechanisms to further this work.

### **Support Activity Result 4.1: Identify how current institutional and legal frameworks and policies facilitate gender inequality or fail to address gender disparities**

#### **Activities**

**4.1.a. Assessment of GOC service delivery to victims and poor farmers:** In Q9, the Program hired an international gender expert through Development Training Services (DTS), a small-US business

to an assessment of how gender issues are addressed within the GOC's rural development, victims', and poverty alleviation policies. In order to develop the assessment, and as a part of Program efforts to guide a gender assessment of GOC service delivery to victims and poor farmers, the expert, the Program and ACPEM, met with the Department of Social Prosperity's representative for poverty-related issues and the National System for Victims' Assistance and Comprehensive Reparations' (SNARIV) representatives on differential services to discuss gender integration (e.g., recognize how the Victims' Law affects men and women in different ways within a specific territory and how to address their different needs in this context).

The DTS expert led the meetings and described to GOC counterparts different methodologies and international-best practices for integrating gender into their current services. Both entities welcomed the idea of a gender mainstreaming approach, which requires programs to address the problems and needs of both men and women and implement inclusive strategies. It also requires an understanding of the differentiated circumstances and ensuring that the planning process takes into account the realities of both genders. Both entities confirmed their willingness to discuss the incorporation of this approach into the implementation of relevant programs and the aforementioned SNARIV representatives will be incorporating some of the expert's recommendations into the Differential Services Committee's 2013 action plan. In Q10, the expert will be returning to Colombia to lead a one-day workshop to discuss and finalize the action plan.

**4.1.b. Review institutional strengthening activities:** In addition to the meetings mentioned in 4.1.a., the Program and its international expert also met with the Ministry of Agriculture, the INCODER and the Land Restitution Unit (LRU). As a whole, the group identified that the GOC is using out-dated model for ensuring gender integration and it is important going forward to ensure that both women and men are included in the implementation of all Victims' Law and rural development programs. In particular, there are important lessons to be learned and addressed regarding: women's reality, women's relationship with land, and gender mainstreaming.

Since the GOC entities are undergoing a "learning by doing" process, the LRU identified that the following 4 areas of work could become best practice models for the implementation of gender mainstreaming: 1) Institutional strengthening, including training of staff, reporting systems (databases and indicators) and protocols (either for specific activities, such as evidence gathering in the case of land restitution, or internal institutional protocols); 2) Inter-Agency Coordination (inter-agency coordination on cross-cutting gender issues; information sharing and coordination to ensure that institutions have sufficient information to understand obstacles for differential assistance and implement solutions); 3) Communities and communications (information dissemination, training and educational material related to the programs implemented by the institution); and 4) Access to Justice (specifically the incorporation of gender mainstreaming into land restitution, awareness-raising and training of judges, and the preparation –substantiation- of cases). These will form part of Program recommendations for each of the aforementioned entities' action plans (forming part of their institutional strengthening activities).

**4.1.c. Policy coordination:** Given that that the Program aims to coordinate ACPEM-promoted policy with land, rural development, and victims' policies to ensure the mainstreaming of gender equity, representatives of the High Commission for Women's Equity (ACPEM) also participated in the above-mentioned meetings (*Activities 4.1.a. and 4.1.b.*). These meetings revealed the common obstacles that can arise within GOC institutions and provided the opportunity to establish spaces for discussion to find solutions that can be applied in different sectors. In Q10 the Program will organize a workshop with different institutions to share experiences and seek solutions that integrate gender equity.

**Support Activity Result 4.2: Reform recommendations provided that promote gender equity in the Program -supported policy<sup>35</sup>**

**Activities**

**4.2.b. Pilot workshop for the prevention of violence against women and related assistance:**

This workshop will be held in Q10. The selection of the facilitator and experts to direct and systematize the workshop was carried out in Q9.

**Window of Opportunity**

Although the Victims' and Land Restitution Law (Law 1448 of 2011) is progressive in terms of gender equity, upon implementation, the chapter on land restitution, in particular, has been shown to be insufficient and contain legal loopholes that prevent or hinder land titling for women. There is a window of opportunity (via efforts in the Program's Land Policy Pillar to design a communications strategy and training for officials and judges) to include a gender focus and address some of these obstacles.

**SUPPORT ACTIVITY 5. ACCESS TO FINANCE**

The Program works to support access to credit, savings and insurance in Colombia is a crucial step in the successful implementation of GOC policy priorities, such as the Victims' Law, the National Consolidation and Reconstruction Policy, and the Land and Rural Development Bill. Access to credit is essential for victims with restituted land to start and maintain productive land use. Access to financial services contributes to the recovery of regions with high rates of social vulnerability (affected by the actions of illegal armed groups) because it facilitates the inclusion of the population into the dynamics of regional development and prosperity. Access to financial services in rural areas facilitates income generation for small farmers and household welfare, thus, contributing to the expansion of agricultural activities and licit livelihoods.

In Q9, the Program provided technical assistance to the Ministry of Finance, *Banca de las Oportunidades* (BDO), the Ministry of Agriculture and Rural Development (MARD), *Banco Agrario, Finagro*, the Victims' Unit and the Consolidation Unit. The Program provided financial and legal support to the Victims' Unit to structure and award the management of minors' reparations funds to *Fiducolombia*, the largest fiduciary in the country, and made recommendations to the Victim's Unit about the best mechanisms to award humanitarian assistance and reparations payments (that will reach US \$900M). The Program also supported the development of a financial education program for victims, which was pilot tested with the victims of the *Vencedores de Arauca* Block; these victims received reparations at the end of December 2012. Finally, the Program promoted strategic alliances between USAID's CELI North South Program and insurance companies to offer agricultural insurance to producers that are beneficiaries of the aforementioned USAID program's technical assistance. Insurance services will likely initiate with rubber producers that manage more than 2,200 hectares in USAID's focus regions.

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<sup>35</sup> Activity 4.2.a. Regulate Law on Rural Women is reported under *Land Pillar Activity 1.2.1.a. Harmonize Land and Rural Development Bill and the Law on Rural Women.*

## **Support Activity Result 5.1: Financial Networks Expanded to Rural Areas and Consolidation Zones**

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

#### **Activity**

**5.1.a. Implementation of Challenge Fund to promote E-Transactions:** As part of the Year 2 Work Plan, the Program supported the MOF and the BDO to form a competitive fund to promote the development of new technologies and products that promote E-Transactions in Colombia. As a result, the government has put aside US \$1.6M to co-finance up to 50% of the value of each e-transaction project, with a minimum of US \$60,000 and a maximum of US \$550,000 per project. As a result of the Program's work, the GOC received 14 innovative proposals (Q8).

In Q9, the GOC formed a committee with representatives of the Ministry of Finance, the Ministry of Information and Communications Technology and BDO to pre-select the best ideas. The Program advised these entities on defining criteria to pre-select the 10 best ideas based on: type of electronic transactions, target population (non-banking segments), geographic coverage (primarily rural areas), contribution to the formalization of payments in the economy, and use of low-cost channels. On the basis of these criteria, the committee selected 10 project ideas in November; these pre-selected candidates were asked to prepare a full proposal including a work plan and budget by the end of January 2013. In phase II, these final proposals will be evaluated by a panel of independent experts. This evaluation will take place in Q10 and the Program will also work with this new selection committee to identify the criteria for final selection based on the ability to the project(s) to expand electronic transactions to rural areas. As a result, E-Transactions in Colombia will be expanded with at least three proposals which will be co-financed and implemented during 2013 and 2014.

## **Support Activity Result 5.2: Make Available Financial Instruments Tailored to the Needs of the Population in Rural and Consolidation Areas, Victims, and Vulnerable populations<sup>36</sup>**

#### **Activities**

### ***Agriculture Finance System (AFS) Improved***

**5.2.a. Assist the GOC in the reform of the Agriculture Finance System (AFS):** Historically, the Agriculture Finance System (AFS) has focused on providing interest rate subsidies, credit subsidies (like *Incentivo a la Capitalización Rural* (ICR) and *Agro Ingreso Seguro* (AIS)), and inadequate state guarantees. As a result, there is a limited range of financial services available for the sector; transaction costs to access credit are high and subsidies have principally benefited medium and large producers (not small producers) thereby limiting the sector's development. During Q9, the Program presented draft guidelines to reform the AFS to the Minister of Finance, DNP and the Central Bank. The Program also started working on developing an action plan to implement the proposals which will increase funding and financing to stimulate the sector's development.

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<sup>36</sup> Activities 5.2.b. and 5.2.c. are reported under Victims' Policy Pillar Activity 2.2.2.b. Make available financial instruments tailored to the needs of the population in rural and consolidation areas, victims and vulnerable populations.

The Minister of Agriculture agreed with the philosophy and focus of the proposed reforms. He emphasized the importance of mobilizing resources to equip the sector and of designing policy instruments to encourage the sector to mitigate risk, primarily through insurance and coverage, as well as the importance of developing the capital market for the sector. He also requested that the proposed reforms be shared with the Ministry of Finance, the DNP, the Central Bank, and the state entities that participate in the National Agricultural Credit Commission (the main finance policy body for the sector), and that an action plan be developed for the implementation of the proposed reforms. The proposals were sent to the DNP and the Central Bank in December and will be presented to the Ministry of Finance in January.

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

**5.2.d. Synergies with CELI and ACIP Programs:** In order to promote the implementation of strategic alliances with financial institutions for expanding products towards consolidation municipalities, during Q9, the Program organized a meeting between the USAID's CELI North-South Program and *Seguros Mapfre*. The objective of the meeting was to offer crop insurance against climate risks (strong winds, hail, excess rainfall, drought, floods, freezing temperatures, landslides, and avalanche) to producers participating in this regional program. According to Chemonics' Deputy Chief of Party (DCOP), it was possible to insure producers of cocoa, rubber, coffee, sugar cane, and coconut. The parties agreed to initiate work with cocoa producers and that Chemonics will study the best way to offer this insurance to the producers. The Program will continue to promote this type of partnerships. In 2013, meetings will be arranged with *Seguros Mapfre*, CELI Central and CELI Montes de María.

**5.2.e. Design of a policy instrument to incentivize financial institutions to expand financial services towards consolidation municipalities:** During Q9, the Program started working on the first phase of the development of a policy instrument to reduce the costs and risks of offering financial services in consolidation municipalities. In order to understand the financial needs of the consolidation municipalities, the Program organized presentations by the Consolidation Unit and the three regional USAID programs for Banca de las Oportunidades (BDO), to provide BDO with the information necessary to design the incentive. The Program advised the Consolidation Unit and the USAID regional project on how to prepare their presentations, ensuring that they contained all relevant information.

**5.2.f. Design strategies to promote financial inclusion in regions with *Contrato-Plan*:** In Q9, the Program initiated meetings with BDO to explore ways to promote rural development and income generation in the regions that had already signed or will sign a *Contrato-Plan* with the GOC in the near future. Thanks to Program efforts, awareness was raised: (1) among *Contrato-Plan*-related entities that financial inclusion is a key component to rural development and income generation, and (2) at BDO, that the *Contrato-Plan* is a tool to coordinate the implementation of financial inclusion in focus municipalities. As such, it was agreed that the BDO, would include within the *Contrato-Plan* chapter that explains the zone's situation and its principal needs, a discussion of the current access to finance situation for the zone in order to describe the zone's low financial presence and access to financial services in comparison to national averages and describe financial services needs in each region.

## **Q10 Challenges & Response Strategy**

**Challenge 1: Access to finance for victims.** The GOC has a major challenge in ensuring financial inclusion for the 4 million victims that will receive humanitarian assistance and reparations over the next 10 years. The GOC needs to structure humanitarian assistance and reparations payments, and ensure victims use these funds to rebuild their lives. This implies structuring and implementing institutionally

strong, adequate and transparent payment and financial services strategies in coordination with public and private entities.

In Q10, the Program will provide expert financial and legal advice to the Victims' Unit on the structuring mechanisms for awarding humanitarian assistance and reparations payments in the amount of US \$900M. The Program will carry out financial studies necessary for planning this work. The Program will also support the Victims' Unit in the development of strategic alliances for producing financial education materials (such as videos and brochures) and in the implementation of a financial education program in 2-3 cities where victims are receiving administrative compensations.

The Program will also follow up on work completed to date under Activity 5.2.e by analyzing information obtained in meetings and field visits to determine the most appropriate financial incentives for consolidation municipalities, and follow up on work completed to date under Activity 5.2.f to define and agree on a strategy for integrating financial inclusion into *Contrato-Plan* activities together with the DNP and relevant *Contrato-Plan* managers.

#### **SUPPORT ACTIVITY 6. LINKAGES BETWEEN GOVERNMENT LEVELS AND USAID IMPLEMENTERS**

The Public Policy Program assists the GOC in maximizing the impact of government programs by facilitating consultations at all levels of government, in order to develop public policies and programs that are responsive to and tailored to the realities and needs of the regions. These policies and programs are oriented to a) clarify roles and responsibilities between levels of government; b) strengthen small municipalities; c) introduce sound policy, legal and budgetary frameworks to improve the delivery of services, promote good governance, and enable the business environment in rural areas; and d) support institutional reform to improve government transparency and encourage citizen participation in governance and policy/program oversight.

During Q9, nation-region coordination efforts were focused on: successfully completing the negotiation of the *Contratos-Plan* agreements that initiated in 2012, and, initiating implementation of pilot programs to test the instrument. Of the 7 pilot programs prioritized by the National Government, 5 are being supported by the Program in consolidation zones or in Afro-Colombian and Indigenous Program (ACIP) regions: Southern Tolima, Northern Cauca, Gran Darién, Nariño and Montes de María.

As mentioned in the previous report, the *Contrato-Plan* for Gran Darién was signed during Q8. During Q9, *Contrato-Plan* negotiations for Southern Tolima, Northern Cauca and Nariño were finalized, but they could not be formalized because it could not be scheduled in the President's agenda. However, the planning and negotiation process between the regions and the nation was completed in all cases except Montes de María, which will continue during Q10. The results achieved in the negotiation of these *Contratos-Plan* agreements will serve as a model to be followed in the negotiation of new *Contrato-Plan* agreements during 2013.

## **Support Activity Result 6.1 Link Local, Regional And National Government And USAID Implementers**

### **Activities**

#### ***Bring national level policies to the regions & strengthening local government***

**6.1.a. Support decentralization processes:** During Q9, the Program worked closely with the Ministry of the Interior on reviewing the Municipal Regime Law and reviewing and modifying the Departmental Regime Bill, and assisted the bill's sponsors in developing their arguments and reports. While the team of experts drafted ambitious, wide-ranging bills, the National Government decided to present some lighter versions, which will be strengthened later with complementary regulations.

In Q8, the Municipal Regime was approved by Law 1551 of 2012. However, in Q9, the Program supported an analysis to determine complementary regulation needed for the Municipal Regime. The Program also continued to make final modifications on the Departmental Regime; while proposals have been made to modify the existing bill, they do not include all of the adjustments that the Program deems advisable to ensure clarification of the departments' responsibilities and to enhance their role as territorial entities that are capable of promoting regional action. The Departmental Regime was the subject of a third debate in the First Commission of the Senate and is expected to be approved in March 2013.

**6.1.b. Policy framework for local governance/institutional strengthening:** In 2012, in particular Q9, the Program, in association with the DNP, USAID's regional programs and the Consolidation Unit, carried out workshops to assist local authorities in the operation of the new General Royalties System (SGR). The workshops aimed to provide local actors with tools for to properly formulate and structure projects in order access SGR resources and construct or improve project banks in USAID-focalized municipalities and departments. The sessions also provided participants with information about the cycle that must be followed in order to be able to access royalty resources.

Workshops were held in 7 regions of the country (Southern Tolima, Putumayo, Montes de María, Cauca and Valle, Meta, Caquetá and Catatumbo). They were attended by 180 people, including officials from mayor's and governor's offices, control agencies, regional consolidation offices and the regional offices of USAID programs. Participants identified the strategic aspects to be taken in account in formulating projects, and they identified and prioritized the strategic needs of their territories. Starting in Q9, the Program and the DNP began monitoring the results of the committees that approve royalties funding (*Organo Colegiado de Administración y Decisión – OCAD*)<sup>37</sup> to bring lessons learned to workshop participants. In Q10 the Program will analyze the impact of these workshops.

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

**6.1.d. Contrato-Plan policy framework and regulation:** In Q9, the Program supported the DNP in preparing a general progress report on *Contrato-Plan* activities performed during 2012, as well as in identifying lessons learned, good practices and errors committed. The Program also assisted in proposing the requirements and steps for modifying the instrument in both the regulations and the negotiation processes. These analyses will form a key component in developing the *Contrato-Plan* National Council on Social and Economic Policy White Paper (CONPES document).

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<sup>37</sup> OCADs are made up of participants from national, departmental and municipal government.

Based on this initial report, the DNP has requested our support in undertaking a more detailed evaluation of the results, weaknesses and strengths of the process, as well as of the modifications to the regulation and planning and negotiation process of the *Contratos-Plan*. The Program will document the 2012 experience and make recommendations for 2013.

**6.1.e. Pilot *Contrato-Plan*:** In Q9, the Program continued to support the DNP and provide recommendations in the planning and negotiation processes for the *Contrato-Plan* in regions that are of major interest to USAID, including Montes de María, Southern Tolima, Northern Cauca, and Nariño. Program support focused on the achievements and challenges of the *Contrato-Plan* as summarized below:

	Achievements	Next Steps
<b>Regulation</b>	<ul style="list-style-type: none"> <li>The Decree that regulates the procedure for establishing a <i>Contrato-Plan</i> was issued</li> </ul>	<ul style="list-style-type: none"> <li>Adopt general regulation based on experience with pilot programs</li> </ul>
<b>Strategic Agreements signed</b>	<ul style="list-style-type: none"> <li><b>Atrato Gran Darién:</b> Phase I (Strategic Agreement) signed with 3 governor's offices and 25 mayor's offices</li> <li><b>Boyacá:</b> Phase I (Strategic Agreement) signed with the Department and 117 municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Establish a governance (management) model</li> <li>The projects are being structured in the Adjusted General Methodology (methodology used to present royalties projects for approval)</li> <li>Identify complementary funding sources and strategy for complementary funding</li> <li>Define a monitoring mechanism</li> </ul>
<b>2012 Pilot Programs</b>	<ul style="list-style-type: none"> <li>2012 pilot programs in the process of being signed: Cauca, Tolima, Nariño, Arauca, Montes de María</li> <li>Each of the regions has prioritized its initiatives and defined its regional vision</li> <li>Multiple sessions have been held with the national entities</li> <li>Coordination between governors and mayors</li> </ul>	<ul style="list-style-type: none"> <li>Sign Phase I (Strategic Agreements) Jan-Mar 2013</li> <li>Define the governance scheme for each signed <i>Contrato-Plan</i></li> <li>Initiate operations of Management Offices for each pilot <i>Contrato-Plan</i></li> <li>Continue with the formulation of the project portfolio for each <i>Contrato-Plan</i></li> <li>Define the budget execution and appropriation schemes for future years</li> </ul>

The following table summarizes Program-supported advances for *Contrato-Plan* Agreements that have already been signed, or are expected to be signed in Q10:

	Atrato - Gran Darién	Southern Tolima	Cauca	Nariño	Montes de María
<b>Territory</b>	Governors' offices + 25 municipalities: Antioquia + 11 municipalities Chocó + 7 municipalities Córdoba + 7 municipalities	Government of Tolima + 9 municipalities	Government of Cauca + 13 municipalities	Nariño + 64 municipalities (with an emphasis on 14 municipalities)	2 Departments and 16 municipalities: Bolívar + 7 municipalities Sucre + 9 municipalities
<b>Coordinating Theme</b>	Reduction of extreme poverty	Rural development program, income generation, & improving quality of life	Income generation – promotion of partnerships with the private sector	Regional development	Rural Development Program with a Territorial Focus

<b>Approximate Value</b>	US \$548M	US \$505.6M	US \$350.5M	US \$843M	US \$393M
<b>Expected date of signing</b>	September 2012	January 2013	January 2013	January 2013	April 2013
<b>Advances</b>	Agreement signed, Management Office created, and performance initiated.	Negotiations were finalized and a draft of the Agreement was prepared. It contains: a regional vision, parties' commitments, strategic areas of work, project portfolio, indicative budget and timeline. To be signed next month.	Negotiations were finalized and a draft of the Agreement was prepared. It contains: a regional vision, parties' commitments, strategic areas of work, project portfolio, indicative budget and timeline. To be signed next month.	Negotiations were finalized and a draft of the Agreement was prepared. It contains: a regional vision, parties' commitments, strategic areas of work, project portfolio, indicative budget and timeline. To be signed next month.	Regional vision, programmatic structure and project portfolio in the process of being defined. Negotiation process and signing will be performed during the first quarter of 2013.

## Q10 Challenges & Response Strategy

**Challenge 1: Contrato-Plan expansion.** The main challenge will be the signing of the *Contratos-Plan* agreements for Cauca, Southern Tolima and Nariño at the beginning of Q10 and initiating their operation. The Program will support this process by helping to define their governance structure and future-year budget commitments, and completing the formulation of the projects.

Another priority challenge for the Program will be assisting the DNP and the governments of Bolívar and Sucre in negotiating the *Contrato-Plan* for Montes de María with the national-level sectors, signing the Agreement before the end of Q10, and planning the operating model.

### SUPPORT ACTIVITY 7. 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 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.

The sustainable development of Colombia's rural areas depends on a balance of conservation, agriculture, and rural productivity. The Program is supporting the GOC in developing a system to prioritize areas for conservation which will help the GOC to better engage in productive land use planning and identify zones for awarding land to small farmers. In addition, the Program has coordinated with *Contrato-Plan* counterparts to ensure prioritized projects take into account environmental sustainability.

The Program's activities focus on reducing Colombia's vulnerability to climate change and ensuring its competitiveness for future international commerce in 5 areas: agriculture, transportation, industry, construction, and energy. The Program's support to ensure Colombia develops a low-carbon emissions strategy will ensure Colombia will be up to speed with international best practice in the future, can meet Free Trade Agreement requirements, and has the ability to participate in international markets.

Throughout Year 2, and culminating in Q9, the Program supported the government in defining the National Low Emissions Development Strategy (LEDS), and in the specific design of two chapters that will serve as inputs for this strategy (the transportation sector and the agriculture and forestry sector). The Program worked with the Natural National Parks Unit on developing a battery of indicators for use in monitoring and evaluation, and in making decisions related to the homologation and re-categorization of protected areas, thereby allowing the government to prioritize conservation efforts in a context of limited resources.

### **Support Activity Result 7.1 Support Implementation of the Policy that Defines the National System of Protected Areas -SINAP (CONPES 3680)**

#### **Activities**

**7.1.a. Harmonize protected areas categories:** In Q9, the Program finalized Activity 7.1a. by presenting, to the National Parks Unit (PNNU), a final document that provides a methodology to define the conservation status for re-categorization and protected areas declaration at the regional level, and identify conservation gaps and define conservation priorities. The GOC will use this instrument to prioritize conservation efforts in order to focalize limited national budget resources. In particular, this document includes the proposed mapping methodology to delineate geographic conservation areas to be evaluated as well as the methodology for their quality control. These steps are part of the development of the instrument for the re-categorization and harmonization declaration. The final product delivery also included a final battery of eleven (11) indicators for marine and coastal areas.

**7.1.b. Evaluation system for the National Parks Unit:** In Q9, the Program finalized Activity 7.1b. through the delivery of a final document (included within the document mentioned in 7.1.a) that describes a methodology to identify the priorities for conservation of the country's biodiversity, and the goals and risks involved. It also includes the development of an instrument for regional zoning of protected areas and steps for their standardization, so that one system of analysis can be used for all areas in a given zone, thus establishing a system for evaluation of the protected areas. The document effectively defined indicators for non-marine areas to measure pressure on those ecosystems and a system to evaluate the effectiveness of PNNU management and support the PNNU in defining the procedure for the harmonization of the protected areas categories.

### **Support Activity Result 7.3 Support GOC in Climate Change Policy Initiatives**

#### **Activity**

**7.3.a. Support National LEDS strategy:** Support for the coordination of the first phase of the national low emissions development strategy (LEDS) (and the other activities associated with the LEDS strategy) was, for the most, part carried out in Year 2. In Q9 the Program presented the results and final recommendations associated with the strategy to the Ministry of Environment and Sustainable Development's Climate Change Group. The main results of Program-support include:

- Sectors engagement in LEDS process (6 sectors involved: Agriculture, Transportation, Industry, Commerce and Residues);
- Sound model of sectoral emissions;
- Partial projection of sectoral GHG emissions: Inertial and Reference Scenarios;
- Fair identification and analysis of mitigation options;
- Qualitative co-benefit analysis; and

- Limited mitigation potential.

In addition, 14 high-impact activities were prioritized within the sectors and delivered as recommendations to the Ministry of Environment and Sustainable Development. The activity ends then during Q9 with concrete recommendations provided to the GOC for the LEDS. As a result, the GOC has taken an important step towards: enhancing Colombia's competitiveness for an international low carbon scenario; aligning its products and services performance with the interests of commercial partners; having a clear assessment of Colombia's contribution to global mitigation efforts; and leading the economic transition to development with innovation and new technologies (e.g., leapfrogging polluting technologies).

### **YR2 WORK PLAN:**

**4.3.a. Climate Change policy document:** The Program's support for a climate change policy document took the form of support for the Hydrology, Meteorology and Environmental studies Institute (IDEAM) to structure the Third National Communication (TCN) on climate change. Two drafts of the project have been prepared and received feedback. The final version of the document will be provided to the GOC at the beginning of Q10 and then will be sent to the United Nations.

The TCN includes five components:

- 1) Determine national context, including updated information for the period 2008- 2012 on institutional, ecosystem, social, economic and political aspects, in order to provide a concise analysis of the national context relevant to climate change.
- 2) National Green House Gas (GHG) inventories improved, expanded and refined. National GHG inventory for the following sectors: (i) energy; (ii) industry; (iii) agriculture; (iv) Land Use – Land Use Change and Forestry (LULUCF); and (v) waste for the years 2005, 2008 and 2010. Trend analysis prepared for all 5 components.
- 3) National and sectoral mitigation measures assessed and compiled in the context of Colombia's low carbon development strategy.
- 4) Sectoral and regional vulnerabilities to climate change in Colombia assessed using improved methodologies.
- 5) Other information updated and improved and Colombian TNC report published, disseminated, and submitted to the UNFCCC

The LEDS (described in section 7.3.a) is considered one of the main outcomes expected within the TCN, as part of the mitigation component (No. 3).

### **Support Activity Result 7.4 Support GOC in Sustainable Urbanism and construction**

#### **Activity**

**7.4.a. Sustainable urbanism and construction policy document:** In Q9 the inputs for the sustainable urbanism and construction policy document focused on the diagnosis and design of the policy. The document contains background information and the conceptual framework for sustainable urbanism and construction and describes the construction and urbanism life cycles. The document recognizes the problems that exist in both cycles and suggests possible solutions. It presents ongoing national and international initiatives and introduces a preliminary outline of the policy, including the general objective, specific objectives, strategies and lines of action, the action plan and the funding schemes. This document will be developed during Q10 and will serve as final input for the policy.

## SUPPORT ACTIVITY 8. Knowledge Management

### Activities

**8.a. MONITOR:** The Program worked closely with DevTech Systems throughout the year to upload results of Program indicators to the MONITOR system in a timely manner. In Q9 the Program uploaded information relevant to Q8. In November of 2012 the Program received a “green” score from the MONITOR spotlight system demonstrating that information from all four quarters of FY2012 had been uploaded into the system.

**8.d. Website designed and functioning:** At the beginning of Q9 the Program presented, to USAID, the plan for the Program website which is administered by the *Instituto de Ciencias Políticas* (ICP). Given the *Instituto de Ciencias Políticas*’ (ICP) capacity to influence public opinion and access the media, decision makers, and academia, the Program, together with USAID, decided to include the Program’s website within ICP’s web portal as part of the Program’s standard grant agreement. As approved, the website will include information relevant to: promote the Program’s three Pillar’s activities and results, and invitations to events organized (as appropriate). Starting on November 17, the website (<http://www.icpcolombia.org/proyectos.php>) was on air and its content was updated regularly.

**6.e. Quarterly Reports:** The Program produced the Q8 quarterly report and delivered it to USAID at the end of October.

**6.f. E-bulletin:** In this quarter, three monthly e-bulletins were produced for USAID on Program support for *Building Nation-Region Bonds in Colombia* (October), *Colombianization: Working with local partners to position key policy issues* (November), and *Financial inclusion: Contributing to rebuilding victims’ lives* (December).

**6.g. Weekly/biweekly reports:** Seven bi-weekly public policy reports were developed in Q9 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, peace negotiations). This provided USAID with a decision making tool that could be directly applied to USAID strategic support in Colombia.

As requested by USAID, the Program developed an additional series of assessments, briefers, fact sheets, and presentations for embassy-wide information and analysis purposes:

1. Peace Weekly
2. Peace Memo No. 1: USAID Support for Peace Process (for Mission Director)
3. Peace Memo No. 2: Peace Process effects on USAID (for Mission Director)
4. Updated Program Fact Sheet
5. Cauca Context Presentation and Proposal for Potential Intervention Strategies
6. Peace Weekly
7. USG-supported social protection policy reforms
8. Public Policy Program Activities Update in Cauca
9. Briefer: Transitional Justice
10. Cauca Land Policy Face Sheet
11. Briefer: Agrarian Processes

**Support Activity 6.h. Work Plan:** On November 21 the Program delivered its Year 3 Work Plan to USAID. The Program followed up by meeting with USAID and presenting the new activities through a PowerPoint presentation in early December. Based on feedback provided in this meeting, the Program made some small adjustments to the Work Plan and presented the final version for USAID approval on December 20.

**Support Activity 6.k. Public discussion of key public policy issues:** Given the *Instituto de Ciencias Políticas*' (ICP) capacity to influence public opinion and access the media, decision makers, and academia, the Program works closely with ICP to organize strategic public and private meetings on key Program-supported issues. In Q9, ICP organized; an expert roundtable to analyze the Social Inclusion and Reconciliation Sector's 2012 budget; a legislative debate on the Tax Law reform which was organized together with well-known think tanks (Fundación para la Educación Superior and Fedesarrollo) and the *Portafolio*, a daily business newspaper; and a seminar on Public Private Partnerships organized together with a well-known business administration university (Colegio Superior de Administración-CESA) and *Portafolio*.



Public Private Partnerships Seminar Panel: Camilo Ospina, Ex-Minister of Defense and government advisor for PPPs; Jaime Niño, COP of USAID Public Policy Program; Jose Manuel Restrepo, Dean of CESA; Marcela Prieto, Executive Director, ICP.

## PROGRAM MANAGEMENT AND ADMINISTRATION

In Q9, the Program continued to implement its technical assistance activities, and in the month of December billed US \$558,879.68 for a total of US \$17,061,568.16 billed to USAID over the life of the project. It is expected that Invoice No. 29 will amount to an additional US \$743,588.

### RECRUITMENT/CONTRACTING

In Q9 AECOM directly contracted 27 consultants (STTA), obligating COP\$813,617,940 (or approximately US\$ \$ 467.328)<sup>38</sup> with the following breakdown:

Pillar	No. Consultants	Amount US\$	% distribution of contract amount
Land	9	\$ 119,069	25%
Victims	10	\$ 114,297	24%
Consolidation	7	\$ 209,438	45%
Cross Cutting	1	\$ 24,524	5%
<b>Total</b>	<b>27</b>	<b>\$ 467,328</b>	<b>100%</b>

Total new commitments under AECOM's Grants & Subcontracts budget line reached approximately US\$ 447.090. Seventy percent of the total amount financed technical activities under the Victims Policy Pillar, 17% under the Land Policy Pillar, and the remaining 13% was devoted to a Small Business contract for Gender - Support activities.

Component	No. Legal Instruments	Amount US\$	% distribution of contract amount
Land Policy	2	\$ 73.891	17%
Victims' Policy	3	\$ 316.646	70%
Supporting activities	1	\$ 56.553	13%
<b>Total</b>	<b>6</b>	<b>\$ 447.090</b>	<b>100%</b>

<sup>38</sup> Exchange rate used 1,741 Colombian Pesos per dollar.

During the quarter the AECOM Contracts & Grants Department committed five (5) new instruments (2 Task Orders under subcontract and 3 Fixed Price Contracts) and processed one modification (incrementing funds under a Task Order) as follows:

<b>PILLAR</b>	<b>Instrument</b>	<b>Modifications</b>
<b>Land Policy</b>	IQC	
	Task Order	
	Contract	
	SG	
		<b>0</b>
<b>Victims Policy</b>	IQC	
	Task Order	1
	Contract	
	SG	
		<b>1</b>
<b>Cross Cutting Support Activities - Gender</b>	IQC	
	Task Order	
	Contract	
	SG	
		<b>0</b>
<b>TOTAL</b>		<b>1</b>

The Program's goal is to award all contracts needed for implementation of the Year 3 Work Plan by the end of Q10.

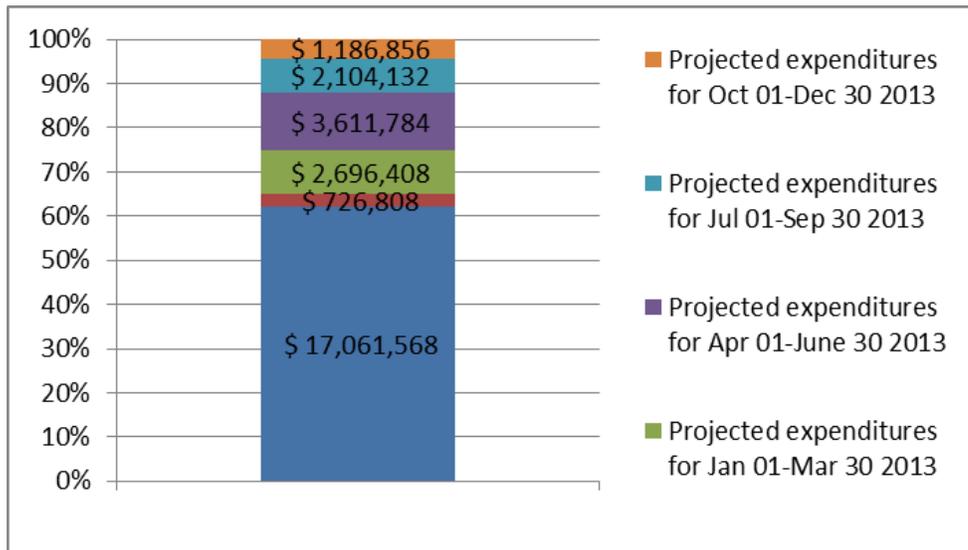
## OPERATIONS

**Events:** The Program continued to reach out to the government and civil society counterparts in Q9; below is the number of workshops, participants by gender, and level of satisfaction with the quality of the events of this quarter:

Date	Pillar	Event name	Total Participation	Men	% Men	Women	% Women	Public servants	% Public servants	% satisfaction events
8 - 9 Oct	Land Policy	Third National Communication on Climate Change	40	19	48%	21	53%	31	78%	93%
11-Oct	Consolidation Policy	Project Formulation	21	12	57%	9	43%	3	14%	86%
19-20 Oct	Consolidation Policy	Advances on <i>Contrato-Plan</i> formulation, Montes de María	116	81	70%	35	43%	32	28%	99%
23-Oct	Victims' Policy	Workshop regional centers	30	7	23%	23	77%	21	70%	95%
26-Oct	Land Policy	Workshop INCODER Reform	8	6	75%	4	50%	8	100%	N/A
7-Nov	Victims' Policy	Joint Responsibilities System	18	7	39%	11	61%	12	67%	92%
8-Nov	Cross-cutting program management	Workplan review, Year 3	18	5	28%	13	72%	0	0	79%
9-Nov	Victims Policy	Workshop Victims' Unit	36	14	39%	22	61%	35	97%	90%
13-Nov	Cross-cutting program management	Workplan review, Year 3	18	5	28%	13	72%	0	0	79%
28-Nov	Consolidation Policy	Review Conpes, with the Consolidation Unit	6	2	33%	4	67%	2	33%	N/A
30-Nov	Victims' Policy	Workshop SNARIV	9	2	22%	7	78%	9	100%	92%
3-Dec	Victims' Policy	Strategic planning - Reparations Directorate, Victims' Unit	83	31	37%	52	63%	79	95%	88%
4-Dec	Cross-cutting program management	Presentation of Year 3 Work Plan to USAID	20	9	45%	11	55%	0	0%	90%
6-Dec	Land Policy	Strategic planning meeting INCODER	13	5	38%	8	62%	12	92%	90%
10 - 11 Dec	Victims' Policy	Strategic Planning 2013 - Victims' Unit	72	34	47%	38	53%	70	97%	74%
11-Dec	Land Policy	Strategic meeting INCODER	13	5	38%	8	62%	12	92%	90%
12-Dec	Land Policy	Urban sustainable renovation, Decree 1144	6	5	83%	1	17%	2	33%	92%
13-Dec	Consolidation Policy	Regional Meeting Mayors and Governors - Montes de María	40	30	75%	10	25%	29	73%	N/A
17-Dec	Victims' Policy	Workshop "Concepto de Subsistencia mínima"	16	5	31%	11	69%	9	56%	99%
18-Dec	Victims' Policy	Strategic review - Social & Humanitarian Management - Victims' Unit	80	30	38%	50	63%	74	93%	92%
18-Dec	Land Policy	"Decreto 1144" as a tool sustainable urbanism in Cartagena	15	12	80%	3	20%	13	87%	N/A
			<b>678</b>	<b>326</b>	<b>48%</b>	<b>354</b>	<b>52%</b>	<b>453</b>	<b>67%</b>	<b>89%</b>

## FINANCIALS

As of December, the Program invoiced USAID for a total of US \$17,061,568.16. An additional US \$726,807.65 in accrued expenses through the end of Q9 (December 2012) is estimated, for a total of US \$17,788,375.



**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	percentage weight	Year 1	Year 2	Year 3	Year 4	Year 5	% achieved by result (Dec 2012)
<b>PILLAR ONE: LAND POLICY</b>								
1.1 Land restitution chapter of the Victim's Law implemented	1.1.1 Land Restitution Unit established	70%			●			76%
	1.1.2 Inputs to Compensation decree	10%			●			
	1.1.3 Inputs to Land Restitution for Ethnic Minorities decree	20%	✓					
1.2 Land and Rural Development Law drafted and Implemented	1.2.1 Inputs to Law for Rural Development	20%			●			59%
	1.2.2 Design of Unit for Rural Land Use Planning	5%	✓					
	1.2.3 Design of Sustainable Livelihoods Policy Framework	25%			●			
	1.2.4 Design of Regional Rural Development Areas Programs	25%			●			
	1.2.5 Reform of INCODER Implemented	20%			●			
	1.2.6 Reform of MARD Implemented	5%			●			
1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure	1.3.1 Design of formalization program	35%		✓				79%
	1.3.2 Regulatory framework for land formalization	25%	✓					
	1.3.3 Design of institutional structure for formalization program	10%	✓					
	1.3.4 Formalization of Land Tenure Rights Policy Document developed	30%			●			
<b>PILLAR TWO: VICTIM'S POLICY:</b>								
2.1 Victims' Law institutions designed	2.1.1 Design of Department of Social Prosperity (DAPS)	20%			●			86%
	2.1.2 Design of Victims' Unit	50%			●			
	2.1.3 Design of Regional Victims' Assistance Centers	20%	✓					
	2.1.4 Design of Center for Historical Memory	10%	✓					
2.2 National plan for Victims' humanitarian assistance and reparations	2.2.1 National Plan for victims' reparations in place	28%		✓				86%
	2.2.2 Improved service delivery for victims	17%			●			
	2.2.3 SNARIV Strengthened to Monitor Agency Action Plans	15%			●			
	2.2.4 Support implementation of Cessation of Vulnerability Index	20%			●			
	2.2.5 Design and implementation of regional reparations plans	20%		✓				
2.3 Victims and civil society stakeholders participate in the implementation of the Victims' Law	2.3.1 Victims and stakeholder participation in policy design	100%		✓				100%
<b>PILLAR THREE: CONSOLIDATION POLICY</b>								
3.1 National Consolidation Policy (NCP) framework revised and under implementation	3.1.1 Revised NCP framework	15%	✓					67%
	3.1.2 Support for development and implementation of Regional Consolidation Action Plans	25%			●			
	3.1.3 Improved service delivery in Consolidation Zones	30%			●			
	3.1.4 Design of interagency and inter-governmental budget and coordination mechanisms	30%			●			
3.2 Institutional structure designed to implement the NCP at the national and regional level	3.2.1 Design and Implementation of Consolidation Unit	70%			●			79%
	3.2.2 Design of Consolidation Fund	30%		✓				
✓ Milestone Achieved ● Rescheduled based on GOC Agenda ● Scope broadened under modification								