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ANNUAL WORK PLAN YEAR 2

October 2011-October 2012

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USAID PUBLIC POLICY PROGRAM

ANNUAL WORK PLAN YEAR 2

October 2011– October 2012

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ACRONYMS & ABBREVIATIONS

ACIP	Afro-Colombian and Indigenous Program
ANIF	National Association of Financial Institutions
BDO	Banca de las Oportunidades
CAF	Latin American Development Bank
CELI	Consolidated and Enhanced Livelihoods Initiative
CNBs	Banking Agents
CONPES	National Council on Social and Economic Policy (White Paper)
CSO	Community Service Organization
DANE	National Department of Statistics
DNP	National Planning Department
DPS	Administrative Department of Social Prosperity
FAQ	Frequently Asked Questions
FI	Financial Institution
FNG	National Guarantees Fund
GIS	Geographic Information System
GOC	Government of Colombia
GRS	General Royalties System
ICA	Colombian Agricultural Institute
ICBF	Colombian Family Welfare Institute
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
MIDAS	Más Inversión para el Desarrollo Alternativo Sostenible
MOF	Ministry of Finance
NCRP	National Consolidation & Reconstruction Policy
NDP	National Development Plan
PDRET	Rural Development Plans with a Territorial Focus
PECS	Payment for Environmental & Cultural Services
PNNU	National Natural Parks Unit
POS	Points of Sale
RDA	Rural Development Area
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
Telcos	Telecommunications companies
TNC	Third National Communication on climate change
UNIDOS	Network for Extreme Poverty
USSD	Unstructured Supplementary Service Data
UPRA	Land and Water Planning Unit for the Agricultural Sector



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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

INTRODUCTION

Year I of the USAID Public Policy Program coincided with the first year of the Santos Administration. During this time, the Government of Colombia (GOC) addressed critical structural reforms in support of its strategy particularly in regards to the Victims' Law, land formalization, and an emphasis on overcoming social exclusion of vulnerable populations. This work opened a major window opportunity for the Program to support the GOC in developing crucial constitutional, legal, public policy and institutional reforms, expected to have considerable impact on improving Colombian quality of life. Major innovations that came about from this support include constitutional reforms on public employment and the royalties system, as well as, the creation of legislation on victims' assistance and reparations, royalties, clarification of responsibilities of departmental and municipal regimes, implementation mechanisms for public and private partnerships on infrastructure at the local level, land and rural development, and affirmative actions for Afro-Colombians.¹

Key inputs to the National Development Plan (NDP) ensured that the NDP serves as the basis for implementation of a range of public policies on state presence, service delivery, land tenure, income generation and assistance to victims. The Policy Program has supported the development of National Council on Social and Economic Policy White Papers (CONPES documents), which are key tools to ensure these economic and social policies are effectively and efficiently implemented. Additionally, the Program supported roadmaps for implementation of land restitution and climate change policies.

Structural reforms are in the process of being complemented by an institutional overhaul to improve governance and coordinate delivery of a broad range of social and economic services, guaranteeing impact among target populations. The Program supported sector changing reforms design across the Colombian Government, to ensure successful operations of the following entities:

1. Administrative Department for Social Prosperity (DPS);
2. National Agency for Overcoming Extreme Poverty;
3. Special Administrative Unit for Territorial Consolidation and Reconstruction (Consolidation Unit);
4. Special Administrative Unit for Integral Victims' Assistance and Reparations (Victims' Unit);
5. Colombian Family Welfare Institute (ICBF) - *housing change*;
6. National Center of Historical Memory
7. Ministry of Labor;
8. Ministry of Environment and Sustainable Development;
9. Land and Water Planning Unit for the Agricultural Sector (UPRA).

The GOC is strengthening its capacity at the national level to respond rapidly and effectively to the needs of populations that require humanitarian assistance and relief and to develop or rebuild key community infrastructure in conflict-affected or historically neglected areas. The GOC is also making a sustained effort to enhance the capacity of municipal and departmental governments to plan and execute policies and overcome the disconnect between national level reform efforts and their implementation at the local level. In the first year of implementation, the Public Policy Program positioned itself as the

¹ The Land and Rural Development Bill will be presented to the Congress after July 2012. The Affirmative Action Bill is awaiting presentation.

premiere mechanism of US government assistance to the Government of Colombia for policy reform; in Year 2, the Program faces fundamental challenges in providing instruments for effective implementation.

In **Year I** of the Public Policy Program implementation, “[t]he program contributed to the most ambitious and transforming legislation in recent Colombian history and is regarded as a model of high performance...”² Within a context of an aggressive GOC policy timeline, the Program front-loaded its activities to comply with the Government’s policy agenda. Under these conditions, the Public Policy Program had the following major accomplishments:

Land Policy

- Victims’ and Land Restitution Law/ Law 1448 of 2011 (Victims’ Law), follow-on legislation drafted (with particular support on the Law’s land restitution chapter), and consultation with ethnic stakeholders³ carried out. This Law, and the follow-on institutional reform support the Program is providing, constitutes an innovative, ambitious model for providing assistance and restitution to Colombia’s 4+ million victims of conflict.
- Land and Rural Development Law drafted and stakeholder buy-in sought. The instrument to implement the Law on the territorial level (Rural Development Programs with a Territorial Focus (PDRET) guidelines) was prepared, and methodology implemented in Montes de Maria and Sur de Tolima to engage in activity prioritization, planning, and budgeting.
- Design and support start-up for the Ministry of Agriculture and Rural Development’s (MARD’s) Rural Property Formalization Program that will contribute to the GOC goal to address land informality on approximately 5 million hectares and assist 500,000 families over 10 years.
- 45 Intelligence reports/briefers produced, providing periodic detailed information on land policy issues to operators, the USAID mission, the GOC, and beyond.

Victims’ Policy

- Elements crucial to the implementation of victims’ assistance and reparations produced: Fiscal costs of implementing victims’ policies analyzed; National and regional entities’ responsibilities and competencies in the implementation of victims’ policies analyzed; and Weighting of indicators to determine local entities’ performance in the implementation of victims’ policies produced.
- Inputs provided on the Law on Participation and Representation for Black Communities, Afro-Colombians, *Raizales* and *Palanqueras*, an affirmative action framework that aims to guarantee the effective enjoyment of rights for these populations.
- Law on the Effective Enjoyment of Rights for Persons with Disability drafted and negotiated with relevant stakeholders. This Law provides the base for implementation of international standards in Colombia.

Consolidation Policy

- Strategic revision process led on the National Consolidation & Reconstruction Policy (NCRP) that traversed sectors and addressed crosscutting policy issues. Implementation of the Consolidation

² Contractor Performance Assessment Report (CPAR). Contract No. AID514CI100001. Period of Performance Assessed: 10/21/2010 – 10/20/2011.

³ *Consulta previa*. The fundamental right that indigenous populations, and other ethnic groups have, when legislative or administrative measures are taken, or when projects, activities, or public works construction will take place within their territories, to seek a way to protect their cultural, social, and economic integrity, and guarantee their right to participation.

Unit's Action Plans produced with budgetary commitments. Relevant inputs to the National Development Plan provided.

Supporting Activities Contributing to Results

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.

Several policy instruments were developed to promote access to financial services specifically focusing on **generating access to the financial sector for victims**, promoting expansion of finance channels, and providing services and financial relief to alleviate the impacts of natural disasters.

Similarly, the Program supported the design of **policy instruments to promote good governance** to improve decentralization policy with the departmental and municipal regimes, instruments for budgeting, management of public resources at national, regional and local level (royalties, public-private partnerships, and *Contratos-Plan*), and State modernization through institutional reforms to implement targeted public policies (land, victims, consolidation of state presence, labor issues, and environment).

Year 2 Challenges and Goals

In **Year 2**, the GOC faces major challenges in its overarching reform effort to root out the causes of conflict and persistent poverty. Ambitious GOC land reforms have generated overwhelming expectations among victims that require the immediate deployment of the Special Administrative Unit for Integral Victims' Assistance and Reparations (Victims' Unit), the Special Administrative Unit for Land Restitution Management (Land Restitution Unit), the Land Formalization Program, and the approval of the Land and Rural Development Law that creates conditions for rural sustainable livelihoods. The GOC urgently needs to adopt key structural reforms and institutions that constitute the backbone of the GOC strategy to consolidate peace and promote the reconciliation of Colombians affected by the conflict. The Victims' Law requires the creation of a Victims' Unit, a Center for Historical Memory, and design of a Victims' Comprehensive Assistance and Reparations Plan within a six month of passage of the law (ending in January 2012), and the GOC must ensure effective and efficient implementation by those entities. Lastly, after concluding the strategic revision of the National Consolidation and Reconstruction Policy (NCRP) the GOC must strengthen the Special Administrative Unit for Territorial Consolidation and Reconstruction (Consolidation Unit) and design GOC programs in key consolidation zones that tailor social and economic services to the needs of *veredas*⁴ and communities affected by the conflict. Targeted technical support is needed to strengthen local government and civil society capacity to build a culture of legality, citizen trust, and income generation opportunities.

Major Program goals for Year 2 of Program implementation are: (1) Promote approval of the Land and Rural Development Law; (2) Support the new Colombian Rural Development Institute (INCODER) Director in institutional reform within the framework of the new law; (3) Ensure victims' assistance and reparations are relevant, efficient, and effective via development of a CONPES document; (4) Create the mechanisms to bring services and infrastructure to consolidation zones via development of a CONPES

⁴ *Vereda*: An administrative division that is smaller than a municipality. Approximate translation: "a municipal rural settlement."

document; (5) Ensure strong institutions exist to provide relevant, efficient and effective assistance to vulnerable populations, including victims; and (6) Ensure a mechanism exists to pool and coordinate local, regional, and national level resources for successful public investment in territories (*Contratos-Plan*).

To respond effectively to the urgent needs of the GOC, the Public Policy Program received a contract modification from USAID on March 1, 2012. As per the modification requirements, the Program eliminated 6 policy component technical framework: (1) Land; (2) Access to finance; (3) Policies towards Vulnerable Populations; (4) Decentralization and good governance; (5) Labor issues; and (6) Environment, and **the Program began focusing its capacity building and technical assistance to support the key pillars of the GOC Strategy: Land Policy, Victims' Policy, and Consolidation Policy.** A critical element of Program technical assistance in all these areas is the integration of implementation and budgeting of the three policies at the regional level. The Program will continue to support the creation and strengthening of key national institutions in support of the GOC strategy and development of key policy frameworks and their programmatic design at the national level.

The approach provides focus for strategic interventions and ensures synergies across a wide range of requirements of the GOC as well as with USAID priorities and regional programs. The Program will support a number of cross cutting issues that are critical to 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. Knowledge management will also have a critical role not only in producing strategic communications on Program achievements, but also building a knowledge base, for internal and external audiences, regarding the processes and methods used to achieve public policy innovation and profound legal and institutional change in Colombia.

Key Year 2 Activities

Land Policy

- Create and implement the Land Restitution Unit.
- Continue support for the design of the Land and Rural Development Law.
- Develop the sustainable livelihoods policy framework and design of a land tenure formalization program.

Victims' Policy

- Develop a comprehensive assistance policy that includes the key issues such as housing, nutrition, sustainable livelihoods, and land tenure.
- Develop the measurement indexes for risk of victimization and the cessation of victim condition that can serve as inputs to formulate the national and regional plans for victims' reparations.
- Support the creation of an institutional framework responsible for implementing victims' assistance policies, such as the Administrative Department of Social Prosperity (DPS), the Victims' Unit, the Center for Historical Memory and Regional Victims' Assistance Centers. Develop policy instruments for victims' participation.
- Strengthen decision-making mechanisms within the Victims' Unit to ensure that victims are involved in the decision making on assistance policies and programs, including participation of women, Afro-Colombians and indigenous people (the most vulnerable segments of the population).

Consolidation Policy

- Create the institutions necessary to implement the National Consolidation and Reconstruction Policy (NCRP).
- Develop regional action plans.
- Improve State presence and public service delivery in focused zones.
- Develop institutional coordination, including field activities and budgetary mechanisms among government agencies at the regional and local level.

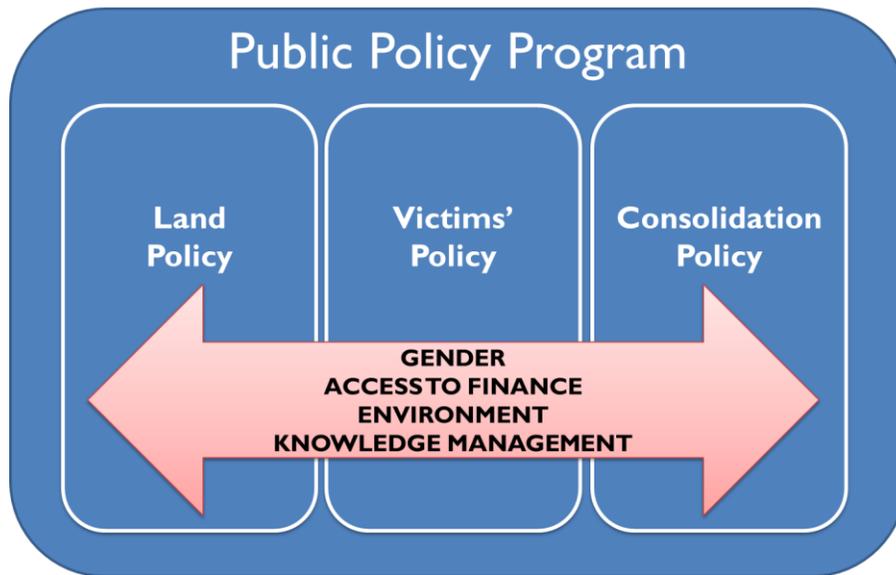
Supporting Activities Contributing to Results

- Develop financial products for the agricultural sector and expand financial services and channels to consolidation zones.
- Continues the process of regulating protected areas; support policies for climate change adaptation and at the request of National Planning Department; support the design of a sustainable urban development policy.
- Integration of gender equity initiatives in the Land and Rural Development Law and victims' policies.
- Continued support for policies for capacity building in local governments to strengthen the decentralization process and to promote regional development through *Contratos-Plan*. Support the adoption of the affirmative action law for Afro-Colombians.

Program Structure Modification & Work Plan Lay-Out

As previously mentioned, the Public Policy Program received a modification from USAID on March 1, 2012. Prior to the modification, the Program operated under a 6 component structure.⁵ As described within the Program's modification, the Program restructured under 3 pillars (Land Policy; Victims' Policy; and Consolidation Policy) that support USAID's strategic priorities to support the GOC's highest reform priorities and initiatives. Under the new structure, activities performed under the Land Policy component was absorbed by the Land Policy Pillar; Policies towards Vulnerable Populations component activities were absorbed by the Victims' Policy Pillar; and some Decentralization component activities were absorbed by the Consolidation Policy Pillar. Elements of the Labor, Access to Finance, Environmental Policy and Decentralization and Improved Public and Economic Management components were maintained as Supporting Activities Contributing to Results in the 3 pillars.

⁵ (1) Land Policy; (2) Access to Financial Services; (3) Policies toward Vulnerable Populations; (4) Support for Decentralization and Improved Public and Economic Management; (5) Labor Policy; and (6) Environmental Policy.



Considering the complexity of reflecting Year 1 achievements that were performed under the original 6 component structure, along with Year 2 activities (that were performed partially under the original structure (Oct 2011 – Feb 2012) and will be partially performed under the new 3 pillar structure (Mar 2012 – Oct 2012), the Work Plan has been structured as follows for ease of the reader:

	Component/Pillar:	Reported under:	Page:
Year 1 Achievements	Land Policy Component	Land Policy Pillar	11
	Access to Financial Services	Supporting Activities Contributing to Results Section	35
	Policies toward Vulnerable Populations	Victims' Policy Pillar	19
	Support for Decentralization and Improved Public and Economic Management	Consolidation Policy Pillar and Supporting Activities Contributing to Results Section	26;39
	Environmental Policy	Supporting Activities Contributing to Results Section	43
Year 2 Activities (Oct 2011-Feb 2012)	<i>Same as above.</i>	<i>Same as above.</i>	<i>See pages for Year 2 (Mar– Oct 2012)</i>
Year 2 Activities (Mar 2012 – Oct 2012)	Land Policy Pillar	Land Policy Pillar	11
	Victims' Policy Pillar	Victims' Policy Pillar	19
	Consolidation Policy Pillar	Consolidation Policy Pillar	26

PILLAR I: LAND POLICY

Overall Objective: The GOC Land Policy is designed to address the root causes of conflict and poverty in Colombia, ensure the sustainability of GOC efforts to recover regions previously controlled by illegal armed groups, and provide victims with reparations and land restitution. The land and rural development reform has three key components: (1) Land restitution to more than 360,000 households who were forced to abandon their properties; (2) Formalization of land property rights to over 600,000 small land tenants; and (3) Rural development to generate sustainable livelihoods for over 4 million victims, ethnic minorities, and rural poor households.

Colombia needs land restitution to ensure the security of property rights, restore investor confidence, and comply with national and international human rights law. The Victims' Law, approved in June 2011, establishes a legal framework for comprehensive assistance, fair reparations, and land restitution to victims of Colombia's internal conflict. This new legal framework for restitution gives a legal advantage to victims by requiring the land occupier, rather than the victim, to prove ownership. This simplifies the process and eases the economic cost to victims. The Program will support the design and creation of the Land Restitution Unit, its internal procedures and processes to select land restitution priorities, gather evidence, and file cases before land restitution judges.

The formalization of rural property is a fundamental GOC goal. Without legal titles, victims and farmers do not have access to credit or government services, the market value of their land is lowered, and land is more vulnerable to illegal seizure. Approximately 1.5 million plots in rural areas of Colombia require formalization (40% of the total 3.7 million rural plots in Colombia). The government's goal is to address the root causes of informality and reduce the high costs associated with formalization.

Finally, land restitution and formalization will not be sustainable if there is not a clear path established for a rural development strategy in the regions. Furthermore, the root causes of the conflict will not be solved if communities are not able to develop their own productive projects that represent income generation and livelihoods support. The GOC response must be tailored to the realities and needs of each region.

Therefore the main objective of the Land Policy Pillar is to support the GOC in designing and implementing the new Land policy through the following results:

1. *Land restitution chapter of the Victims' Law implemented.*
2. *Land and Rural Development Law drafted.*
3. *Rural property formalization program designed, including regulatory framework and institutional infrastructure.*

Background: Even with the policy and institutional changes in place that this Program is supporting, the GOC still faces major challenges in this overarching reform effort to root out the causes of conflict and persistent poverty. The ambitious GOC land reforms have generated overwhelming expectations among victims that require the immediate deployment of the Land Restitution Unit and the Land Formalization Program, and approval of the Land and Rural Development Law that creates conditions for sustainable livelihoods in rural Colombia.

The passage of the Victims' Law, and the opportunity it creates to provide comprehensive reparations, was a major achievement by the Santos administration in 2011. In 2012 the GOC is expected to pass the Land and Rural Development Law, which together with the Victims' Law, will create a

transformative environment for rural communities who have long suffered the consequences of the armed conflict. This new legislation paves the way to address the root causes of the conflict including poverty, income inequality, concentration of land ownership, weak rule-of-law and lack of State presence.

Year I Accomplishments:

Throughout the first year of the USAID Public Policy Program, the Land Policy Component provided technical assistance to the Ministry of Agriculture and Rural Development (MARD) in 3 different areas: restitution, formalization and rural development. Accomplishments in each of these technical areas are described below.

Restitution:

- Support drafting of the Victims' Law, particularly the land restitution chapter.
- 1 Draft decree on the implementation of the Victims' Law for ethnic communities (*Inputs to Land Restitution for Ethnic Minorities Decree*)
- 1 analytical paper on lessons learned in administrative restitution of seized land and proposals for reform.
- 1 strategic document on the role of victims' associations and NGOs in the implementation of the Victims' Law.
- 4 training sessions for attorneys, coordinators and members of the Regional Commissions on Restitution of Goods (*Comisiones Regionales de Restitución de Bienes*) in Bogotá, Santa Marta and Montería.
- Restitution Guidelines.
- Briefer on INCODER's emergency plan (*plan de choque*) for land restitution.
- Victims Association Frequently Asked Questions (FAQ).

Formalization:

- Design of institutional structure for Formalization Program (Rural Property Formalization Program created through MARD Resolution December 2011).
- Regulatory Framework for Land Formalization (*draft decree on reducing formalization costs and land titling procedures*).
- A seminar on international experiences in Rural Property Formalization.
- Rural Property Formalization Pilot Project in Samacá, Boyaca conducted in partnership with the USAID *Más Inversión para el Desarrollo Alternativo Sostenible* (MIDAS) Program.
- Program Formalization Guidelines.

Rural Development:

- 1 seminar on international experiences in Rural Development.
- 1 Rural Development Guidelines
- *Consulta previa*⁶ process for the National Development Plan 2010-2014

⁶ See footnote no. 4.

- Inputs for institutional reform decree for creation of the Land Planning and Land Improvement Unit for Agriculture (UPRA)

Cross cutting Land Policy support activities:

- 42 weekly reports
- 3 strategic briefers
- 1 FAQ document
- Restitution Guidelines
- Formalization Guidelines
- Rural Development Guidelines
- Stoplight tracking GOC progress in restitution, formalization and rural development
- Monitoring & Evaluation and Communications Guidelines in English and Spanish
- Weekly report guidelines for other operators

As a result of the efforts described above, the Public Policy Program succeeded in achieving the Year 1 delivery requirements noted in the modified Performance Work Statement (PWS). The Land Component was successful in regulating land restitution for ethnic minorities (1.1.3), supporting the GOC in creating part of the institutional structure needed to implement the Land and Rural Development Law (1.2.2), and creating the basis for land formalization in Colombia through the appropriate regulatory (1.2.3) and institutional reforms (1.3.3).

Counterpart Interfaces: Ministry of Agriculture and Rural Development, Land Restitution Unit, Rural Property Formalization Program, INCODER, National Planning Department, and Ministry of Interior.

YEAR 2 ACTIVITIES AND ASSOCIATED RESULTS

The Program's modified Performance Work Statement (PWS) lays out four milestones for Year 2 of Program implementation. The Program will finalize its role in implementation of the land restitution chapter of the Victims' Law (1.1) by leading the strategic and operational planning processes needed to run the Land Restitution Unit (LRU) (1.1.1), and by providing detailed guidelines, and in some cases monitoring and evaluation support, to ensure successful implementation of specific LRU programs such as the victims' compensation fund (1.1.2). The drafting of the Land and Rural Development Law (1.2) will receive continued support through Year 3. By the end of Year 2, the GOC will have a tool for harmonizing rural development programming with municipal, departmental, consolidation, and victims' assistance plans. The Program will deliver a finalized model for Rural Development Programs with a Territorial Approach (PDRET),⁷ as well as pilot results (1.2.4). The Program will also conclude its work on designing a rural property formalization program (1.3), via the design of a CONPES document that will ensure interagency coordination and budget allocation for the Land Formalization Program, and the delivery of a Geographic Information System design to collect information crucial to land formalization (1.3.1).

⁷ PDRET also known as Rural Development Areas (RDAs).

RESULT 1.1: LAND RESTITUTION CHAPTER OF THE VICTIM'S LAW IMPLEMENTED

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

Delivery Requirements /Milestones

1.1.1 Land Restitution Unit Established

As mandated by the Victims' Law, the GOC must design and legally establish the Land Restitution Unit in order to effectively implement the Law, addressing restitution needs for an estimated 360,000 victims of armed conflict. Housed in MARD, this Unit will be responsible for investigating cases, collecting evidence and passing this onto restitution judges who will try each case. The Unit is responsible for addressing 160,000 cases by 2014.

Activities

- a. **Strategic Plan:** Develop a strategic plan for the Land Restitution Unit that includes the mission, vision, objectives, areas and strategic Unit projects. The Program will manage the technical and logistical coordination of workshops in Bogotá with stakeholders and future Land Restitution Unit officers in order to develop the strategic plan. The strategic plan will then be socialized and distributed among government stakeholders.
- b. **Technical Study:** At the same time, a technical study will be developed for the Unit's creation. Through the definition of the processes that should be covered by the Unit, in accordance with the Law, this study defines the structure, organizational chart, functions and personnel required to comply with the Unit's obligations. Policy instruments will be delivered to the GOC for the organizational structure and for the staffing plan. Guidelines for the key tasks to be performed by the Unit will be developed.
- c. **Recruitment Process (in order to respond to staffing needs):** Support the Land Restitution Unit in designing and implementing its staff recruitment process. Given the level of sensitivity required to work on restitution processes, it is important to identify a personnel plant that not only considers professional experience and training, but also the individual's ability to deal with restitution processes in an appropriate way. One recruitment manual will be the product of this activity, which will contain profiles and selection criteria.
- d. **Security Strategy:** The land restitution process to be implemented by the new Unit needs to be supported by a security strategy in three main areas: personnel safety, information security and territorial security for victims. Although MARD is not responsible for a security strategy itself, the Unit must develop a scheme in coordination with the Ministry of Defense and the Presidency's High Commissioner, in order to establish a protocol which will ensure the implementation of a process with controlled risks. The Program will respond to the GOC's request by delivering assistance for high level risk evaluation and security strategy design for the Unit. The Program will provide legal support in response to lawsuits filed against the Victims'

Law and will support coordination between the Land Restitution Unit and other GOC entities, particularly the Department of Social Prosperity, for the return of those whose land has been restituted.

- e. **Develop the methodology for capacity building of judges for restitution processes:** Support the process of training judges to handle the restitution processes provided for in the Victims' Law by preparing a capacity-building methodology for judges on restitution procedures, Colombian judicial procedures, the application of the rights afforded under the Victims' Law, and the governmental entities involved in the restitution process. At least 130 judges will be trained in specific issues related to the restitution chapter of the Victims' Law (this training will be progressive and it is estimated that 22 will receive the course during 2012). Government officials from the Land Restitution Unit, and other stakeholders, will also receive training to prepare cases.
- f. **Monitor the implementation of the Land Chapter of the Victims' Law** by tracking the legal suits brought against MARD in relation to the rights afforded in the Land Restitution Chapter. Detect patterns and potential risks for on-going implementation of the Law in order to inform future GOC decision-making.
- g. **Support the Land Restitution Unit in the coordination of return process** for those individuals whose land has been restituted. Support coordination between the Land Restitution Unit and other GOC entities, such as but not limited to, the Department of Social Prosperity and the Consolidation Unit. Support the process by participating in the meetings held between the Land Restitution Unit and other entities on this topic in order to systematize the information, conclusions, and agreements that come out of these meetings. This includes providing examples of evidence of possible overlaps in work between entities, identifying gaps, and providing recommendations on how to best coordinate work between the distinct institutions.

1.1.2 Inputs to Compensation Decree

The MARD and its advisors developed the Compensation Decree in December 2012. Therefore the Land Restitution Unit Director considers that Public Policy Program support should focus on designing the fund needed to implement compensation.

Activities

- a. **Manual/Guidelines for the Compensation Fund:** Deliver recommendations on how to implement the compensation procedures already defined for those covered by the Victims' Law, a step-by-step guide for the compensation process. This includes supporting the design of the fund in charge of give compensation to the victims.

RESULT 1.2: LAND AND RURAL DEVELOPMENT LAW DRAFTED

In order to ensure a sustainable land policy, it is important that the focus population has access to opportunities for income generation. The rural development policy must consider not only the needs of the individuals/families that return to their land, but also the needs of those families that stayed on the land and resisted the conflict. Otherwise, the conflict situation could intensify.

Delivery Requirements /Milestones

I.2.1 Inputs to the Land and Rural Development Law

The Law for Rural Development is the instrument needed to define the framework for the territorial approach of the GOC's rural development policy, and the land access and use policy. The Law aims to bring sustainability to agrarian procedures, public good deliverables and income generation initiatives. *Activities for this Milestone will initiate in Year 2 and it is expected that the Law will be approved by Congress in Year 3.*

Activities

- a. **Strengthen agrarian procedure articles in draft Law:** Deliver high-level, comprehensive technical assistance for the articles related to agrarian procedures for land access in the Land and Rural Development Law. The Program team will prepare a range of articles for the Land and Rural Development Law and will coordinate closely with other team members to prepare the agrarian procedures information in a way that responds to international and national best practice, Colombian law, and will ensure that the section on agrarian procedures is harmonious and compatible with the other sections of the Law.
- b. **Strengthen public goods delivery chapter in draft Law:** Provide inputs for the public goods delivery chapter of the Law.
- c. **Strengthen territorial approach to rural development in draft Law:** Deliver inputs and recommendations to strengthen the territorial approach to rural development presented in the Law.
- d. **Strengthen land improvement and irrigation in draft Law:** Propose a chapter and provide inputs on land improvement and irrigation for the draft Law in order to address issues such as public investment in the construction and maintenance of large scale irrigation schemes.
- e. **Strengthen gender focus in draft Law:** Deliver assistance to the construction of a chapter on gender focus and participation of women as core beneficiaries of rural development strategy in the Land and Rural Development draft Law.

I.2.3 Design of Sustainable Livelihoods Policy Framework

In order to ensure sustainable implementation of the land and rural development policy, the GOC requires institutions with clear and appropriate roles, able to provide technical assistance, public goods, income generation opportunities, support to business plans related to rural business, city-region plans, commerce and export, and tax regulation review. *Activities under this milestone initiate in Year 2 and continue into Year 3.*

Activities

- a. **Adjust agriculture policy instruments:** Deliver technical assistance to the GOC in order to adjust agriculture policy instruments and existing programs that are being implemented by MARD and INCODER; these instruments must be designed in a comprehensive way so the target population

receives comprehensive and sustainable benefits from the adjustments. Design one instrument for Special Technical Assistance for small rural producers and vulnerable population.

- b. **Comprehensive MARD reform:** Technical assistance to restructure MARD in accordance with the new land and rural development bill. This includes support to develop the reform of MARD and to establish the roles and responsibilities of different agencies adscribed to MARD (i.e. INCODER, Corpoica, and the Colombian Agricultural Institute) in the implementation of the GOC Agriculture and Rural Development policies. The Program will initiate support MARD's International Cooperation Unit in order to improve donor coordination.
- c. **INCODER reform study:** A technical study will be developed for INCODER's reform. After defining which functions will be transferred from INCODER to UPRA and the Fisheries Unit, the study must define how the strategic functions should be organized within INCODER's new structure. Once the study is completed policy instruments will be developed for the organizational structure and for the staffing structure in order to enable INCODER to implement the new rural development strategy through a territorial approach. Deliver assistance for the design of a regional Income Generation Activity Fund linked to *Contratos-Plan* for the implementation of regional sustainable livelihoods initiatives leveraging resources from the GOC's national and local budget as well as private and cooperation.
- d. **Provide Inputs to the Rural Sector Tax Reform** as a complement for the rural development policy. Review the current tax policy and deliver recommendations on tax exemption in order to motivate rural development and investment in agribusiness activities. Support the design of a model that allows the evaluation of different scenarios concerning taxes for selected agribusiness value chains and investment initiatives. The Program will work closely with MARD and private sector representatives to develop relevant models that are in keeping with economic good practice and Colombian Law. The team will test the models with data provided by private sector representatives.
- e. **Design an income generation path for victims and rural poor:** Enable institutional coordination and support its efforts towards bringing income generation alternatives to the victims and rural poor by: (1) Investigating which public institutions are implementing (or planning to implement) programs related to income generation in rural areas (these institutions might include the Land Restitution Unit, INCODER, and DPS); (2) Meeting with the institutions that have a strong commitment to implementing income generation programs in rural areas in order to understand their implementation plans and budgets for the future; and (3) Working with the indicated institutions in order to define how activities can be better coordinated and implemented on the national and regional levels. After defining the strategy at the national-level, a pilot will be designed and implemented in Chaparral, South Tolima. The Program will also support the design of the Department of Social Prosperity (DPS) institutional structure in regards to income generation. The consultant will support the DPS in structuring its income generation plan, programs, and related budgets.

1.2.4 Design of Regional Rural Development Areas (RDA)⁸ Programs

The implementation of the rural development policy in Rural Development Areas (RDAs) (AKA “Rural Development Programs with a Territorial Approach (PDRET) prioritized by GOC will be developed as part of the strategy designed by the Public Policy Program for linking national policies, with regional and local strategies. Under this effort, the Program will facilitate and support the implementation of the RDAs/PDRETs pilot programs in GOC/USAID prioritized regions where rural development, victims and consolidation policies link together, and where USAID regional programs are under implementation.

Activities

The Public Policy Program will play a critical role in assisting the GOC in designing strategies for coordinating, in the field, those national policies with regional impact, under the leadership of local authorities and taking advantage of new policy instruments such as the *Contratos-Plan* and cooperation models defined by the recently issued Organic Law on Land Use. The successful harmonization of the RDAs/PDRETs with these instruments will guarantee the commitment of the national and local governments with that initiative and with its sustainability. For this reason, the “**Design of Regional Rural Development Areas (RDA) Programs,**” will be implemented as part of the cross-cutting Program activities. See section Supporting Activities Contributing to Results, Supporting Activity 3 “**Linkage Local, Regional and National Government and USAID Implementers.**” The main objective of these activities is to facilitate the harmonization of the mentioned policies and instruments in USAID's targeted regions. *Support will be delivered to INCODER to improve regional leadership and coordination in rural programs in selected areas.*

RESULT 1.3 RURAL PROPERTY FORMALIZATION PROGRAM DESIGNED, INCLUDING REGULATORY FRAMEWORK AND INSTITUTIONAL INFRASTRUCTURE

Property formalization gives titles to rightful possessors and occupants of rural lands and registers them in the official records. Without legal titles, residents do not have access to credit or government services, the market value of their land is lowered, and land is more vulnerable to illegal seizure.

Delivery Requirements /Milestones

1.3.1 Design of the Formalization Program

Approximately 1.5 million plots in rural areas of Colombia require formalization (40% of the total 3.7 million rural plots in Colombia). Among the displaced, informality is much higher, around 76%. The goal of the government is to address the root causes of informality which include: the lack of information available on the processes and requirements for formalization, limited access to services (in a country with over 1,100 municipalities there are just 189 registry offices) and high costs associated with formalization.

Activities

- a. **CONPES on rural property formalization:** The Program’s Formalization team will draft a CONPES, or equivalent policy document, for rural property formalization through which the GOC can ensure

⁸ The GOC originally called its regional rural development strategy “Rural Development Areas,” however has now renamed this strategy “Rural Development Programs with a Territorial Approach (PDRET).”

interagency coordination and budget allocation for the implementation of the Land Formalization Program. Coordinate formalization processes between entities and allocate resources according to regional priorities.

- b. **Geographic Information System designed:** Geographic Information System (GIS) designed to support land restitution and formalization policy. Collect information related to restitution and formalization processes which will provide a greater understanding of information system requirements in order to draft a concept paper on how the system should work and to draft a request for proposal for the design of the system.

CROSS CUTTING LAND PILLAR SUPPORT ACTIVITIES

Lessons learned have shown that land and rural development policy reform requires close coordination between a variety of GOC entities and USAID. Up-to-date reporting mechanisms are necessary to ensure information is shared in an effective and efficient manner.

Land and Rural Development Monitoring and Evaluation Strategy

Activities

- a. **Evaluation mechanisms for land, rural development and livelihoods policies:** Support the GOC in defining indicators and designing a base line study for impact evaluation for land, rural development policy and livelihoods. Those indicators should be built in accordance with the GOC's goals, and must be useful to monitor USAID regional implementation.

Land and Rural Development Communications Strategy Activities

Activities

- a. **Information management:** Draft and edit periodic reports explaining the state of affairs in Colombia regarding land policy, highlighting strategic issues in areas such as, Land Restitution, Rural Property Formalization and Rural Development, achievements, goals, and challenges.
- b. Draft briefers, strategic documents, and other reports as requested by USAID.

PILLAR 2: VICTIMS' POLICY

Overall Objective: The Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law) establishes a legal framework for reparations and land restitution for over 4 million victims of Colombia's internal conflict - the decades old violent confrontation between the State armed forces, guerilla, and paramilitary groups. This framework imposes the burden of proof of land ownership on the Colombian conflict by putting victims as the protagonists of its resolution. The Victims' Law is expected to provide reparations for 4 million victims (90% of whom were displaced into abject poverty), and restitute 6 million hectares of land, costing a total of COP \$54,903 billion (approximately US \$30 billion). The Victims' Law is planned to be valid for the next 10 years.

The Law recognizes victims as those individuals whose human rights were violated after January 1, 1985 (the year in which attempted peace talks failed and guerrilla members took over the Justice Palace in Bogotá). Victims will be eligible for economic and symbolic reparations and potentially land restitution,

thereby returning land into the hands of those who cultivate it, enabling them to resume a dignified livelihood.

The Law imposes a six-month timeframe (ending in January 2012) for the GOC to implement specific aspects of the Law: a regulatory framework, institutional structures (Restitution Unit, Victims' Unit); victims' services, and selection and training of restitution judges. All measures to repair victims will be led by the new Special Administrative Unit for Integral Victims' Assistance and Reparations (Victims' Unit) which is part of a new sector for the social inclusion and reconciliation; the head of this sector is the Administrative Department of Social Prosperity (DPS). The Program is supporting the institutional design of both the DPS and the Victims' Unit. The creation of the DPS will facilitate interagency GOC coordination in order to bring victims' services throughout the country. The DPS design includes: a Victims' Unit and a Center for Historical Memory to document the conflict, the development of victims' assistance and services defined under the Victims' Law, including the methodology for regional implementation of humanitarian assistance, integrated assistance, individual and collective reparations, and graduation criteria. The fiscal impact of implementation of the Victims' Law is of critical concern to supporters and non-supporters alike, and developing a methodology for estimating its fiscal impact is a high priority.

To support the GOC's urgent need to implement legal requirements within the established timeframe, the Program will support the following results:

1. *Victims' Law institutions designed.*
2. *National plan for Victims' humanitarian assistance and reparations.*
3. *Victims and civil society stakeholders participate in the implementation of the Victims' Law.*

Background: The National Development Plan 2010-2014 (NDP) has an ambitious policy reform agenda designed to promote prosperity and integrate vulnerable populations and Colombians living in extreme poverty conditions into society. Chapter IV of the NDP proposes to implement a new system of social promotion to facilitate access of poor and vulnerable populations to the four elements of a social protection system: integral social security, physical assets, human capital investment, and risk management. Positive action and equal opportunities for the poor, victims, ethnic groups and other underprivileged populations are included in this new policy framework. Since the President signed Victims' Law on the June 10th, 2011, the GOC has been working on preparing institutions for the challenges this Law represents. As part of this effort, different reforms are being promoted to respond effectively: poverty, assistance and reparation for victims, historical memory, and consolidation. The DPS must lead this effort as head of the sector for social inclusion and reconciliation. After finalizing the design of this new institutional arrangement, the GOC must coordinate with new local authorities on the design and implementation of mechanisms that will put into practice the changes made at the national level.

The Public Policy Program Victims' Policy Pillar Work Plan is designed to provide meaningful support to the GOC and vulnerable population organizations to ensure that these objectives are fully met as a result of active participation and inclusion. This task will be done in partnership with the GOC and Civil Society Organizations (CSOs).

Year I Accomplishments: During Year I of the Public Policy Program, the Component worked on 5 different areas: victims, ethnic groups, people with disabilities, sustainable livelihoods and participation. In each area the Program worked together with the GOC and CSOs in order to achieve political changes in favor of vulnerable populations.

Victims. The Program finalized a fiscal cost analysis of implementing victims' public policy, an analysis of national and regional entities' responsibilities and competencies in the implementation of such policy, and the weighting of indicators to determine local entities performance in the implementation of this policy.

The Program also initiated four activities that will continue implementation during Year 2; these areas include: victims' housing; a housing analysis land, sustainable livelihoods, rehabilitation and nutritional services for victims and recommendations to make adjustments based on victims' needs. The Program also started work on the construction of an indicator and a formula to determine cessation of vulnerability and to build a risk of victimization index.

Ethnic Groups. The Program initiated the construction of a Law on Participation and Representation for Black Communities, Afro-Colombians, *Raizales* and *Palanqueras*, which the GOC has not yet registered with Congress. The Program also acted as technical secretariat to the *Technical Roundtable for Inter-institutional Coordination* to monitor GOC commitments made to indigenous peoples and Afro-Colombian communities in the National Development Plan. *In Year 2, these activities will be form part of Supporting Activities Contributing to Results.*

Persons with Disabilities. The Program supported negotiations with Civil Society Organizations regarding social inclusion measures for people with disabilities, and supported the construction of a Law as a result of the negotiation. *There are no additional activities planned for Year 2.*

Sustainable livelihoods. The Program held a workshop to discuss inclusive business models and the structuring of recommendations for sustainable livelihoods public policy. The Program also initiated the design of a pilot in sustainable livelihoods for extreme poor and IDPs. *The Land Policy Pillar will lead this activity during the second year with the support of the Victims' Policy Pillar.*

Participation. The Program held several national-level workshops for the participation of Civil Society Organizations, victims and public institutions in the construction of the Law 1448 regulation and designed a module to capture information from workshops and to process the resulting data.

The Program's modified Performance Work Statement (PWS) does not indicate delivery requirements for Year 1 of Program implementation. However, the Program met a great deal of intermediate milestones in its work on victims and participation that will contribute to the accomplishment of six delivery requirements in Year 2.

Counterpart Interfaces: Administrative Department for Social Prosperity (DPS), Special Administrative Unit for Integral Victims' Assistance and Reparations (Victims' Unit), Colombian Institute for Family Welfare (ICBF), National Planning Department, Ministry of Interior, Ministry of Justice, Ministry of Finance, Ministry of Agriculture, Land Restitution Unit, Ministry of Social Protection and Health, Ministry of Housing, Cities and Territories, the National Learning Service (SENA) and territorial entities (Departments and Municipalities).

YEAR 2 ACTIVITIES AND ASSOCIATED RESULTS

Under the Victims' Policy Pillar, the modified Performance Work Statement (PWS) lays out six milestones for Year 2 of Program implementation. The Program will continue to design Victims' Law institutions (2.1) by constructing a strong Victims' Unit internally and externally via a staffing selection

process and a communications strategy (2.1.2) and via strategic planning on the territorial level (2.1.3). The Program will also ensure victims' restitution via the delivery of a design for a Center for Historical Memory (2.1.4). The Program will support the DPS through Year 3 to ensure the new entity is up and running according to plan and in harmonization with other GOC activities. In Year 2 the Program will deliver, to the GOC, a National plan for victims' humanitarian assistance and reparations (2.2). Not only will the government have a CONPES document that lays-out a financially and technically sustainable plan with impact indicators (2.2.1), the Program will also support the development of local action plans (2.2.2). Finally, the Program will continue to lead efforts to ensure victims and civil society participant in the implementation of the Victims' Law (2.3). The GOC will be able to demonstrate that Victims' Law regulations and Victims' Unit operations were designed hand-in-hand with the target population and relevant stakeholders (2.3.1).

RESULT 2.1: VICTIMS' LAW INSTITUTIONS DESIGNED

The Victims' Law lays-out a new institutional arrangement for the implementation of the Law. It requires the creation of a social inclusion and reconciliation sector led by the Administrative Department of Social Prosperity (DPS) under which the following will operate: three administrative units to provide victims' assistance and reparations, territorial consolidation, and land restitution; an Agency to Overcome Extreme Poverty; and a Center for Historical Memory.

The Program is committed to the transformation of the sector's institutional framework in order to influence these strategic changes inside the GOC.

Delivery Requirements/Milestones

2.1.1 Design of Department of Social Prosperity (DPS)

The newly formed Social Inclusion Sector (institutional arrangement approved under Law 1448 of 2011) is headed by the Administrative Department for Social Prosperity (DPS), which coordinates five semi-autonomous offices, each with full administrative and financial independence. While this autonomy is important for reducing decision-making bureaucracy, it makes it difficult to coordinate on shared actions given competing roles and responsibilities. *The activities under this milestone will initiate in Year 2 and be completed in Year 3.*

Activities

- a. **Establish the DPS:** Support the GOC in establishing the agency responsible for coordination and implementation of the National Program for Victims' Assistance and Reparations. Support, as per the Victims' Law, will include the transformation of the Presidential Agency for Social Action and International Cooperation (Acción Social) into the Administrative Department of Social Prosperity (DPS), that is the head of the Social Inclusion Sector and will be responsible for the design and coordination of social policies.
- b. **Harmonization of DPS activities:** The Program will also make recommendations to adjust current DPS programs and projects in order to guarantee that services meet the sector's objectives and the target population's needs. The recommendations will also consider that the system must make the range of services flexible in regards to the diversity that exists within the target population and among the DPS' programs in order to ensure coordination and harmonization in program implementation.

2.1.2 Design of Victims' Unit

Support the Victims' Unit's organizational structure, personnel needs, job descriptions and personnel skill requirements.

Activities

- a. **Staff selection process:** The Victims' Unit will have to recruit new staff that will work for the Unit at the national and regional level. The Program will support the process guaranteeing transparency and quality in the selection of the personal.
- b. **Inclusion of crosscutting subjects into processes and programs inside the Victims' Unit:** The Unit has several areas such as national-regional coordination and differential approach that must be included as crosscutting subjects in order to guarantee these areas to be part of each process within the functioning of the Unit.
- c. **Communication strategy:** Wide diffusion of the Victims' Law is key to successful implementation of the Law. The Program will support the design of media instruments to communicate and educate the public about the Law. The strategy aims to inform citizens, GOC functionaries, and victims about the law, its purpose, who has a role in its implementation, what the resulting responsibilities are, and what it means to be a "victim." The campaign will allow the Victims' Unit to position itself as the entity responsible for victims' policy, ensure victims feel supported by the government and society, and raise State officials' awareness regarding their responsibility towards victims.

2.1.3 Design of Regional Victims' Assistance Centers

Establish mechanisms and procedures to implement interagency coordination between the Victims' Unit and other GOC agencies at the national, departmental, and municipal level.

Activity

- a. **Regional Presence of the Victims' Unit:** Provide the Victims' Unit with objective criteria to define the regions where the Unit will maintain presence via Territorial Directorates and Regional Assistance Centers. Lack of local institutional capacity is a bottleneck that requires constant attention from the central office. Thus the Unit's adoption of this deliverable is a crucial step in establishing territorial presence and building the local authority's capacity to implement the Victims' Law.

2.1.4 Design of Center for Historical Memory

The Program will support the design of the Center for Historical Memory including a museum, Human Rights Program, and file protection procedures.

Activity

- a. **Design of Center for Historical Memory:** Support will be provided to review international experiences in order to draw-out best practices, construct the theoretical framework for the Center's strategy, design content, and reglamentation.

RESULT 2.2: NATIONAL PLAN VICTIMS' HUMANITARIAN ASSISTANCE AND REPARATIONS

The Victims' Law implementation process requires several activities to regulate each subject included in the Law. Therefore the Program will be supporting the GOC to effectively implement and put into practice the legal framework for victims' assistance and reparation. One of the most crucial aspects of the Victims' Law is its implementation at the local level. Colombia is a country with very low institutional capacity in municipalities, putting impact expected from institutional and legal reforms at risk. The Program will provide strategic technical assistance in order to influence the execution of the Law by supporting the design of instruments that can build capacity in territories and that can improve coordination between the Nation and municipalities.

Delivery Requirements/Milestones

2.2.1 National Plan for Victims' Reparations in place

The Program will support the construction of the National Action Plan for Comprehensive Assistance and Reparation to Victims; this CONPES document includes budgets, strategy, assigned responsibilities, and indicators to measure impact and progress.

Activities

- a. **Policy on Victims' Housing:** The Program will support the development of a draft decree on housing that meets victims' special needs.
- b. **Analysis of Public Services Offered:** Analysis of public services offered to victims in the areas of: housing, land, sustainable livelihoods, rehabilitation and nutrition. Provide recommendations to make adjustments on public policy, programs and projects based on victims' characteristics and needs.
- c. **Determining when condition of vulnerability of victims ceases:** Construction of an indicator and a formula to determine cessation of vulnerability. The main objective of public policy, programs and projects for victims is to retribute rights violated within the internal conflict. All public services should aim to ensure victims' rights are met so they can move from assistance to promotion and social protection; to objectively determine when the victims are ready to transit to the next level, the GOC needs an instrument to measure the status of victims regarding their rights.
- d. **Harmonizing State services and making them more flexible to meet the needs of victims:** Develop a mechanism that will coordinate and harmonize the State's response (public policy, programs, and projects), ensuring that services provided are effective and contribute sufficiently to ending vulnerability, and that victims reach the full enjoyment of their rights.
- e. **Indexing the Risk of Victimization:** Support the development of a Risk of Victimization Index that will measure the risk of new violent acts occurring in a specific territory. This instrument can help determine progress or deterioration of security in a specific municipality or department.

2.2.2 Design of regional reparations plans

The Victims' Law requires that the GOC have Local Action Plans for Comprehensive Assistance and Reparation to Victims to ensure that victims' policy framework is effectively included on the local level. The Program will assist by developing the methodological step-by-step guidelines on how to include assistance and reparations measure in local development plans and local action plans for use by local entities.

Activity

- a. **Regional action plans:** Design of methodology for regional assistance and reparations action plans. In 2012, new local and regional administrators took office and the first semester will be a planning phase. Mayors and governors must design their local development plans and action plans for the assistance and reparation of victims. In this effort the Program will provide methodological guidelines to facilitate the construction of these plans.
- b. **Review of regional development plans:** Review 58 regional development plans and provide inputs to the plans to ensure that they include priority issues related to the victims' policy agenda.

RESULT 2.3: VICTIMS AND CIVIL SOCIETY STAKEHOLDERS PARTICIPATE IN THE IMPLEMENTATION OF THE VICTIMS' LAW

Colombia is a country with nearly 50 years of internal armed conflict that has left, as a consequence, nearly 4 million victims of human rights violations including 618,000 internally displaced households, 134,000 murdered individuals, and nearly 15,900 kidnappings, among other victimizations. This shared experience (years of continuing conflict, reconstruction to peace) highlights the importance of including victims in a healing process and a process to overcome vulnerability. So, the Public Policy Program's approach to public policy design involves the effective participation of victims to identify the best ways of putting measures of the assistance and reparation into practice. The Program will assist the GOC in developing a strategy to enhance the participation of conflict-affected populations in the policy making process.

Delivery Requirements/Milestones

2.3.1. Victims and stakeholder participation in policy design

The Program will support the Victims' Unit in ensuring that a participatory approach is included in all services provided, across the distinct offices within the Unit.

Activities

- a. **Participation in Victims' Law regulation:** Support the GOC, victims and CSOs to guarantee participation in the process of regulating the Victims' Law.
- b. **Participatory approach in functioning of the Victims' Unit:** Support the design of a model to include a participatory approach into the functioning of every area inside the Unit. This instrument will guarantee that every process the Unit develops and follows will consider the participation of victims.
- c. **7 forums** with victims, public officials and stakeholders to discuss the implementation of the Victims' Law.

Synergies

The Victims' Policy Pillar has developed two main activities in alliance with the Consolidation Policy Pillar and the Land Policy Pillar. The first one is related to strengthening institutional capacity and functioning of municipalities in the design of local action plans for victims and local development plans. The Pillars have joined efforts to transfer knowledge to be used by an advisory team that is working together with local authorities in the construction of the aforementioned plans within the Technical

Assistance Program led by the National Planning Department. It is expected that this shared activity will positively influence territories so that they include victims' issues as a priority in their planning, budgeting and execution over the next three years.

Rural development is a second area of synergy between the Policy Pillars. The Victims' Policy Pillar has collaborated with the other Pillars on: i. designing and implementing a sustainable livelihoods model for vulnerable population (extreme poor and victims) and ii. promoting and facilitating technical and political coordination between the Land Restitution Unit and the Victims' Unit.

PILLAR 3: CONSOLIDATION POLICY

Overall Objective: Implementation of the National Consolidation & Reconstruction Policy (NCRP) is a high priority for the GOC, but has been hampered by regulatory constraints and the slow pace of implementation at the territorial level. Program interventions to assist the GOC to revise and improve the effectiveness of the NCRP focus on removing the following constraints: lack of inter-agency coordination at the national level; lack of clarity regarding the relationship of consolidation policies to other national policies (e.g., education, health, etc.); weak presence of the national, regional, and local government at the territorial level in target zones; the relative degree of capacity of territorial organization and leadership; and regulatory constraints to rapid disbursement of funds to support consolidation of target zones. An additional barrier to effective implementation is that some regions are moving ahead with their own strategies (that are not aligned with the national policy) causing a disconnect between the national and territorial level.

The NCRP requires regulatory and policy instruments that establish a framework that addresses the above identified constraints, supports the development of mechanisms and budgeting models to improve inter-agency and inter-governmental coordination, and creates effective linkages between national and sub-national programs. At the national level, the GOC will establish a coordination unit and a "consolidation fund" that allows for rapid and efficient resource disbursement to support territorial consolidation operations. Regional Consolidation Action Plans will be developed in the seven consolidation zones in order to outline NCRP implementation at the territorial level.

The Program will support these goals with the following results:

- 1. National Consolidation Policy (NCP) framework revised*
- 2. Institutional structure designed to implement the NCP at the national and regional level*

Background: The underpinning of the National Consolidation and Reconstruction Policy (NCRP) is the creation of alliances between communities and the State. This relationship is based on a dynamic which provides target communities with the services reasonably expected of any democratically-elected government, economic development, regional integration, and citizen empowerment. The plan has prioritized 51 municipalities in 12 departments; these areas are predominately rural, overwhelmingly poor, and represent nodal points in the conflict. The NCRP aims to irreversibly marginalize the conflict by consolidating State presence in these 51 municipalities.

One pillar of the NCRP is designed to combat disorganized land occupation, a phenomenon that has contributed to the Colombian State's lack of institutional capacity to ensure citizens their constitutional rights. Where the State has been unable to holistically establish itself, illegal armed groups have succeeded in establishing territorial control, financing their activities through illegal economic activities including coca production, extortion, and illegal mining. In 2010, coca production amounted to 2% of the

GDP and covered approximately 20,000 hectares in the consolidation municipalities, accounting for a third of Colombia's coca production.

A key point for the successful implementation of the plan is the strengthening of the State's capacity to reconstitute and formalize land, including support to the justice system and other relevant government institutions. This endeavor will not only rectify historical wrongs, but will ultimately lay the groundwork for sustainable socio-economic development in these strategically-critical municipalities.

Through consolidation, the GOC has the opportunity to drastically cut coca production, reduce conflict, and eventually dismantle illegally armed groups and their financing sources. In order to achieve this historic opportunity and effect true consolidation, the State must achieve inter-institutional coordination, coordinated budget execution, and improve public service delivery in consolidation zones.

Year I Accomplishments: In Year I, the GOC committed over US \$1.3 billion to consolidation. Over a 6 month period, the NCRP strategic revision generated agreements on what the NCRP should entail, and how the NCRP would harmonize with sectorial policies.

Revised NCRP Framework. Results of the Strategic Revision Process of the Consolidation Policy were remarkable in terms of participation: 310 participants (19% from the Public Forces), 14 sector Vice ministers, 5 High Commissioners, and approximately 60 public and private agencies divided among 17 technical subcommittees on sectorial and crosscutting issues related to the consolidation zones policy framework. Participation by ministerial and institutional official representatives in each technical area was crucial; it allowed for a multidisciplinary and inter-sectorial understanding of consolidation issues and for the interagency coordination required to build buy-in and develop the NCRP.

The NCRP strategic revision process resulted in sectorial action plans accompanied by budgetary commitments to be invested in consolidation zones. The strategic revision process and the sectorial action plans were key inputs to the NCRP CONPES document.

In order to implement the NCRP, the GOC requires an entity with the technical and institutional capacity to coordinate and mobilize the provision of: state services and private sector and international cooperation in order to integrate consolidation regions to Colombia's social and economic life. Therefore, the Public Policy Program is supporting the GOC in creating an institutional structure that will help the GOC determine and periodically review intervention areas and create and strengthen the institutional management and institutional coordination mechanisms at the national and regional levels to ensure the policy implementation.

Year I NCRP achievements were based on inputs to the National Development Plan:

- 1 Presidential Directive on the Strategic Revision process of the NCRP
- 1 workshop on the results of the Strategic Revision of the NCRP
- 3 workshops on the Strategic Revision of the NCRP: Institutional Development, Performance and management indicators, Land zoning and land management.
- 1 workshop on social services in Consolidation zones.
- 1 workshop to review the Consolidation regional plan with all members of the Regional offices.

The Program's modified Performance Work Statement (PWS) calls for a revised National Consolidation and Reconstruction Policy framework (3.1.1) by the end of Year I. The Program succeeded in managing

a participatory process (with a range of high-level stakeholders) that resulted in a draft policy framework. This work guarantees stakeholder buy-in to the policy and future implementation.

Counterpart Interfaces: Special Administrative Unit for Territorial Consolidation and Reconstruction (Consolidation Unit), Administrative Department for Social Prosperity (DPS), Ministry of Defense, High Commission for National Security, Ministry of Housing, Ministry of Transportation, Ministry of Agriculture and Rural Development (MARD), Ministry of Telecommunications, National Planning Department, High Commission for Good Governance and Administrative Efficiency, Administrative Department for Public Function.

YEAR 2 ACTIVITIES AND ASSOCIATED RESULTS

The Program's modified Performance Work Statement (PWS) calls for the delivery of two requirements under the Consolidation Policy Pillar in Year 2. The Program will continue to support the revision of the NCRP in Year 2 and ensure it is operational via activities in Year 3 to incorporate the NCRP into a master and local consolidation action plans. The Program will design the institutional structure needed to implement the NCRP at the national and regional level (3.2). The Program will support the GOC through the design of a strong state structure (the Consolidation Unit) that can determine and understand the demand for state services in priority areas and, is capable of harmonizing these services to effectively reach the territory (3.2.1). The Program will also support the Unit in designing mechanisms, such as a Consolidation Fund, to promote development through private investment (3.2.2).

RESULT 3.1: NATIONAL CONSOLIDATION POLICY (NCP) FRAMEWORK REVISED

The NCRP outlines the strategies to dismantle the Regional Threat System⁹ and achieve minimum levels of: (i) institutional control, (ii) citizen participation and (ii) regional integration. These areas have become the 3 structural pillars of the NCRP. This strategic and tactical approach will be incorporated into a policy document (CONPES document). The CONPES will guide implementation, incorporate commitments made by agencies during the 6 months strategic revision process, and the resources that will be allocated to implement those commitments.

The Special Administrative Unit for Territorial Consolidation and Reconstruction (Consolidation Unit) requires technical assistance from teams of experts, that working together with different ministries and GOC agencies, identify adjustments to existing programs or establish new programs and policy instruments (i.e. subsidies, procedures) to ensure that demands identified by the Regional Consolidation Centers, in conjunction with communities and local authorities, can be met in each consolidation zone.

Delivery Requirements/Milestones

3.1.1 Revised NCP Framework

In Year 1, the Public Policy Program worked with the GOC to revise the NCRP framework, aiming to build a coordinated strategy for strengthening institutional presence and service delivery to focused zones that have been military-recovered (*see Year 1 Accomplishments*). The GOC requested Program support for follow-on activities which include supporting NCRP harmonization with sector-specific plans, finalizing the CONPES document, and socializing the CONPES content among stakeholders. *These activities will take place in Year 2.*

⁹ The threat of return of armed groups to a region post State takeover.

Activities

- a. **Sector action plans for consolidation zones:** Technical experts will support the elaboration of sector action plans to adapt services to consolidation zones in: i) income generation, ii) infrastructure (housing, water and sanitation, roads, energy, and information technologies), and iii) institutional strengthening.
- b. **Draft CONPES document socialization:** Support in socializing the draft CONPES document with Ministries and agencies, in order to ratify and, in some cases, adjust the commitments made during the strategic revision process, including the budget allocation for the activities prioritized by the CONPES in each sector.
- c. **Final draft of the CONPES document.**

3.1.2 Regional Consolidation Action Plans

The NCRP will be implemented in 51 municipalities via the development of Regional Consolidation Action Plans, which take into account local differences. The Plans lay-out how state public services will be transferred to and implemented in each zone.

The Program will support the Consolidation Unit in designing a methodology to review and update the Regional Consolidation Action Plans in each of the 7 zones.¹⁰ Support will also be given in designing a mechanism (master plan or score card) to monitor the accomplishment of activities included in the Plans, thereby facilitating the Consolidation Unit's managerial team's reporting and decision-making. *Activities under this Milestone will initiate in Year 2 and be finalized in Year 3 of Program implementation.*

Activities

- a. **Regional Consolidation Action Plan methodology:** Inputs to a comprehensive methodology for use by local teams on how to structure the Regional Consolidation Action Plans for the 7 consolidation zones (*Year 2*).
- b. **Guidelines for implementation of action plans:** Manual with guidelines for regional GOC Consolidation teams and USAID implementers in the regions, detailing how to implement the Regional Consolidation Action Plans (*Year 2*).
- c. **Harmonization of action plans with development plans:** Design of a strategy and accompany its implementation for harmonizing the Regional Consolidation Action Plans with the municipal and departmental Development Plans, ensuring alignment and inclusion of activities identified in the consolidation plans in the local plans. (*Year 2*)
- d. **Unify action plans in a master plan:** Support Consolidation Unit in standardizing the 7 consolidation action plans and unifying them in a master plan that facilitates its follow up through a score card (*Year 3*).

¹⁰ 12 departments and 51 municipalities, targeting a population 48% of which is urban and 52% is rural; 69% of that rural population is poor.

- e. **3 Workshops** with public officials to develop regional consolidation action plans.

3.1.3 Design of Interagency and Inter-Governmental Budget and Coordination Mechanisms

The NCRP aims to effectively coordinate governmental actions and programs to appropriately serve focused regions. As part of this process, each zones unique situation is considered; improving state presence in these zones is a determinant factor to overcoming the fragile social and economic conditions produced by armed conflict and illicit activities. The implementation of the NCRP will face many challenges, not only at the national level but also in the field; the development of mechanisms and budgeting models to improve inter-agency and inter-governmental coordination and create effective linkages between national and sub-national programs will be key to successful NCRP implementation. Also, the GOC must ensure service delivery is flexible and tailored to consolidation regions, particularly in key policies related to rural development plans, livelihoods programs, victims' assistance plans, and land restitution and formalization processes. *Activities under this milestone will initiate in Year 2 and will be finalized in Year 3.*

Activities

- a. **Design coordination mechanisms:** Technical assistance to design coordination mechanisms and protocols facilitating the harmonization, from the policy and the operative perspective, between the Consolidation Policy and Rural Development Policy, Victims' Assistance and Reparations Policy, and Land Restitution and Formalization Policies (*Year 2 and Year 3*).
- b. **Guidelines to customize sectorial services:** Provide guidelines for the Consolidation Unit, ministries and institutions, on how to customize sectorial services meet consolidation regions' requirements. Sectors to assist will include: Infrastructure, rural development, income generation, victims, and financial services (*Year 2*).
- c. **Coordination mechanisms and procedures:** Design of mechanisms and procedures to coordinate the planning, execution, budgeting and monitoring and evaluation of activities and sectorial investments in consolidation zones, including the implementation of *Contratos-Plan* in zones where these are signed (*Year 2 and Year 3*).
- d. **Public-Private Partnership guidelines:** Guidelines for designing a strategy for promoting Public-Private Partnerships in consolidation zones (*Year 2 and Year 3*).

RESULT 3.2: INSTITUTIONAL STRUCTURE DESIGNED TO IMPLEMENT THE NCP AT THE NATIONAL AND REGIONAL LEVEL

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

Delivery Requirements/Milestones

3.2.1 Design of Consolidation Unit

The Public Policy Program will continue supporting the creation of a public body (the Consolidation Unit) with the technical and institutional capacity (and administrative and financial autonomy) to coordinate and mobilize state service provision, and private sector and international cooperation, in order to integrate these regions into social and economic life. Additionally, the Unit will promote the building of trust in state institutions and the development and construction of social networks in areas where the state has been absent.

This Unit, will be the agency responsible for implementing, executing and tracking the NCRP and coordinating the institutional intervention in targeted consolidation and illicit crop areas. This organism will be part of the new Social Inclusion and Social Prosperity Sector, headed by the recently launched Administrative Department for Social Prosperity (DPS). The DPS' main objective is to design policies to overcome poverty, social inclusion, reconciliation, recovery of territories, and assistance and reparations for victims. Mechanisms must be designed to ensure coordination between the Consolidation Regional Centers and the Social Inclusion Sector's regional offices.

However, creating a new body is not enough. This new structure requires a strategic planning process that will allow the Consolidation Unit to achieve its objectives and goals in implementing the NCRP; this includes tactical and operational planning, and the design of mechanisms for interagency coordination, to ensure that services effectively reach the territories.

Activities

- a. **Consolidation Unit creation:** Technical assistance to create a Consolidation Unit to implement the NCRP.
- b. **Comprehensive strategic and tactical planning process:** Technical assistance to: (a) develop a strategic and tactical planning process for the Consolidation Unit, including the definition of strategic objectives, programs, and indicators required to achieve Unit's purposes and goals in implementing NCRP; (b) define the Unit's team's roles and responsibilities in implementing the established plan, and (c) developing structural and strategic planning for each of the Unit's directions: *Harmonization Unit, Regional Unit and Illicit Crops Unit*. The Program will also facilitate a strategic planning process that includes programmatic planning and an organogram for the Illicit Crops Unit.
- c. **Unified consolidation indicators and index:** Technical support to establish a unified matrix of consolidation indicators drawn, together with the USAID regional programs, from the Consolidation Unit planning process, the regional action plans and the NCRP. Based on the set of indicators, the Program will support the construction of a Consolidation Index.
- d. **Coordination mechanisms:** Provide inputs on a regional model establishing coordination mechanisms between the Consolidation Regional Centers and the Social Inclusion Sector's regional offices.
- e. **4 workshops** to develop the strategic planning of the Consolidation Unit with public officials.

3.2.2 Design of Consolidation Fund

The Consolidation Unit requires speed and flexibility to respond quickly and effectively to regional needs. The recruitment process in Colombia, governed by the Public Procurement Act, sets out rules

and procedures that, many times, hinder the provision of a rapid response to the region's needs. So, it is necessary to design operation and budget execution mechanisms that meet the principles of transparency and efficiency but allow for flexibility in the arrival of state services to the territory.

Activities

- a. **Structure flexible budgeting mechanisms:** Document with recommendations on alternatives for structuring a flexible consolidation budgeting mechanism for timely response to the region.
- b. **Draft regulation:** Draft the regulation creating the consolidation budgeting mechanism.
- c. **Expert roundtable** to discuss consolidation budgeting mechanism.

SUPPORTING ACTIVITIES CONTRIBUTING TO RESULTS

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.

SUMMARY TABLE OF SUPPORTING ACTIVITIES

Supporting Activities	Pillar	Activities
1. Gender	Land Policy	<ul style="list-style-type: none"> - Review institutional strengthening activities - Land and Rural Development Law - Territorial level policy coordination
	Victims' Policy	<ul style="list-style-type: none"> - Assessment of GOC service delivery - Protocol for victims' participation - Review institutional strengthening activities - Review DPS programs - Review CONPES documents - Territorial level policy coordination - Integral Attention and Reparations Program.
	Consolidation Policy	<ul style="list-style-type: none"> - Review CONPES documents - Territorial level policy coordination - support a series of activities designed to mainstream gender equality programs in the municipal and departmental development plans
2. Access to Finance	Land Policy	<ul style="list-style-type: none"> - Agriculture Finance System Improved
	Victims' Policy	<ul style="list-style-type: none"> - Facilitate financial inclusion for victims
	Consolidation Policy	<ul style="list-style-type: none"> - Financial Networks Expanded to Rural Areas and Consolidation Zones - Improve liquidity management
3. Link Local, Regional and	Land Policy	<ul style="list-style-type: none"> - <i>Contratos-Plan</i> regulation and pilots

National Government and USAID Implementers		<ul style="list-style-type: none"> - Pilots to bring national policies to the region - Mechanisms for budgeting and coordination at the territorial level (National Development Plans). - Programs with a Territorial Approach (PDRET) and harmonize with territorial plans
	Victims' Policy	<ul style="list-style-type: none"> - Mechanisms for budgeting and coordination at the territorial level (National Development Plans).
	Consolidation Policy	<ul style="list-style-type: none"> - <i>Contratos-Plan</i> regulation and pilots. - Subnational institutional capacity strengthening and support decentralization processes. - Mechanisms for budgeting and coordination at the territorial level (National Development Plans).
4. Environment	Land Policy	<ul style="list-style-type: none"> - Support Implementation of the Policy that Defines the National System of Protected Areas - Support policy design to develop PECS
	Victims' Policy	<ul style="list-style-type: none"> - Support policy design to develop PECS
	Consolidation Policy	<ul style="list-style-type: none"> - Control illegal mining
5. Affirmative Actions for Afro-Colombians	Cross cutting	<ul style="list-style-type: none"> - Afro-Colombian participation - Monitor GOC commitments to indigenous peoples and Afro-Colombian communities
6. Knowledge Management	Cross cutting	<ul style="list-style-type: none"> - Strategic communications on Program achievements and lessons learned - Build knowledge base for internal and external audiences

SUPPORT ACTIVITY I. GENDER

Overall Objective: Support 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.

The Land and Rural Development Law, the Victims' Reparations and Integral Assistance Program, the Consolidation and Income Generation CONPES documents, and support for the creation of the Department Social Prosperity and the Victims' and Consolidation Units, as well as the Land Restitution Unit, offer a unique opportunity to support GOC gender equity policy and institutional reform.

The Program will support the GOC in improving gender equity with the following results:

1. *Identify how current institutional and legal frameworks and policies facilitate gender inequality or fail to address gender disparities.*
2. *Reform recommendations provided that promote gender equity in the Program -supported policy.*
3. *Gender theme represented in the discussion regarding Program-supported reforms in coordination with other USAID programs and the GOC.*

Background: Despite ongoing GOC efforts, gender disparities in Colombia persist as a result of poverty, cultural heritage, and several decades of civil conflict. Several analyses from the Constitutional Court, the National Planning Department and the World Bank present evidence of growing gender

disparities in regards to access to basic rights such as education, financial services, jobs, business opportunities and political participation and representation. These gender disparities are particularly evident among poor and rural populations. The civil conflict has worsened gender disparities, increased women's vulnerability, and decreased options to overcome impoverished conditions. Women in Colombia have suffered proportionally more violations of their human rights and are more vulnerable to violent land seizures. Additionally, recent household surveys indicate that the proportion of women dedicated to agriculture and rural production has decreased in comparison to other developing countries. These trends have increased food insecurity in certain regions of Colombia.

In contrast to other developing economies, statistics show that girls in Colombia achieve higher rates of school enrollment in comparison with boys; women complete high school and tertiary education at higher rates. However, they have strikingly lower labor market participation rates, higher rates of unemployment, lower income rates, a remarkably lower share of land and property assets, and less access to financial services. Fast economic growth over the last decade has not translated into improved gender equity. Instead, income disparities between men and women have increased over the last decade prominently in the rural areas, but also in urban areas.

Year 1 Accomplishments: The Land and Rural Development Bill was reviewed for a gender approach. The Program's expert found that the Bill was neutral in terms of gender, instead of taking a gender mainstreaming approach. The gender approach should mirror the way that the territorial implementation is incorporated throughout the bill, instead of being addressed as an isolated issue. The expert identified the following four issues as major areas of criticism for the bill: (1) There should be stronger participation mechanisms for women at the local and national level in institutional decisions that affect rural development; (2) Obstacles for women to access to rural services must be removed; (3) GOC technical assistance should address gender-specific activities and concerns (i.e. food security vs. large productive projects); and (4) The time and effort women put into taking care of others and their homes should form part of budgetary decision making. Results were presented to the MARD, and as a result, the MARD requested follow-on technical assistance from the Public Policy Program to identify ways to mainstream gender into the draft law.

Counterpart Interfaces: Ministry of Agriculture and Rural Development (MARD), INCODER.

YEAR 2 ACTIVITIES AND ASSOCIATED RESULTS

SUPPORT ACTIVITY RESULT 1.1: IDENTIFY HOW CURRENT INSTITUTIONAL AND LEGAL FRAMEWORKS AND POLICIES FACILITATE GENDER INEQUALITY OR FAIL TO ADDRESS GENDER DISPARITIES.

Lack of equal opportunities between men and women reduce productivity and efficiency and undermine economic growth and development. Excluding women from financial and land resources or productive activities results in dramatically lower household incomes and hinders household resilience to economic shocks. Labor market discrimination may be causing a misallocation of resources that can hold up productivity gains. As disparities in school enrollment and workforce training between women and men continue to increase, gender discrimination can become a major hurdle for economic growth and development in Colombia.

Activities

- a. **Assessment of GOC service delivery:** Coordinate Public Policy Program experts in the implementation of a gender assessment on GOC's service delivery to victims, poor farmers and ethnic minorities.

- b. **Review institutional strengthening activities:** Review, together with experts, the design and implementation of the Public Policy Program institutional strengthening activities, including the INCODER reform, MARD, and the strengthening of the Victims' Unit, the Consolidation Unit, UPRA, and the Land Restitution Unit to ensure that gender equity concerns are adequately addressed.
- c. **Review CONPES documents:** Review, together with experts, Public Policy Program supported CONPES documents and provide recommendation to mainstream a gender equity perspective into the design of these policies.
- d. **Policy coordination:** Support the Gender and Women National Policy and the Presidential Advisor on Gender in coordinating the design of these policies with other policies and programs supported by the USAID.
- e. **Report achievements and coordination:** Meet with Government, USAID, and other donor and multilateral organizations officials regularly and provide reports as needed.
- f. **Gender differential approach inclusion:** Review and analyze, together with experts, the inclusion of a gender differential approach to the provision of financial services, nutrition, agriculture extension services and income generation programs, access to land, and housing.

SUPPORT ACTIVITY RESULT 1.2: REFORM RECOMMENDATIONS PROVIDED THAT PROMOTE GENDER EQUITY IN THE PROGRAM -SUPPORTED POLICY.

The Program will identify and recommend the introduction of incentives that discourage gender discrimination and the reformulation of conditional cash subsidies that disempower women and discourage female participation in labor markets or in business. The Public Policy Program will also support reform of service delivery systems in finance, land access, agriculture extension services, income generation, nutrition, housing, schooling, and victims' rehabilitation services. To this end, the Program will evaluate the current supply of services and propose the introduction of differential treatment to address gender differences and the different preferences of men and women.

SUPPORT ACTIVITY RESULT 1.3: GENDER THEME REPRESENTED IN THE DISCUSSION REGARDING PROGRAM-SUPPORTED REFORMS IN COORDINATION WITH OTHER USAID PROGRAMS AND THE GOC.

The Public Policy Program, in coordination with other USAID programs and the GOC, will support gender participation in the discussion of the reforms supported by the Program. Specifically, the program will support a series of regional seminars to address gender issues in the Land and Rural Development Law and in the Victims' Integral Attention and Reparations Program. The Program, in coordination with USAID programs, will support a series of activities designed to mainstream gender equality programs in the municipal and departmental development plans and encourage equal gender participation in the discussion of the development plans.

SUPPORT ACTIVITY 2. ACCESS TO FINANCE

Overall objective: Increasing access to credit, savings and insurance in Colombia is key to the successful implementation of policy priorities for the GOC, such as the Victims' law, the NCRP, and the Land and Rural Development Law. Access to credit is essential for the 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 development and prosperity of these regions. Access to financial services in rural areas facilitates small farmers generating income and welfare for their households, thus, contributing to the expansion of agricultural activities and licit livelihoods.

For these reasons, the Program will support the GOC in improving access to finance with the following results:

- 1. Expand financial networks expanded to rural areas and consolidation zones.*
- 2. Make available financial instruments tailored to the needs of population in rural and consolidation areas, victims, and vulnerable populations.*

Background: Approximately 80% of Colombia's low-income population does not currently have access to financial services, primarily in rural areas. Without access to credit, it is very difficult for landowners to acquire working capital or assets. As a result, they have no option but to rely on informal credit and their own savings. Interest rates paid on informal credits average 275% a year, which limits expansion of agriculture and licit livelihoods in rural areas. In fact, Colombia has lower access to financial services, compared to other medium income countries. Financial coverage (number of formal financial entity branches per 100,000 adults) in medium income countries is 30, while in Colombia it is only 15. Moreover, the amount of loans as a percentage of GDP in Latin America is 36%, while in Colombia it is 28%; in the case of savings, the average in Latin America is 43%, while in Colombia it is only 28%.

On the one hand, regulatory hurdles continue to be the biggest challenge to expanding financial services to rural and poor populations. Interest rate caps, which have been eliminated in most of the countries in the world, still exist in Colombia,¹¹ and the secured financing regime limits the kind of goods that can be used as collateral, making it very difficult for Financial Institutions to reach low-income populations in rural areas. Additionally, the agriculture finance system is outdated and involves inadequate incentives for financing the agriculture sector; as a result, financing is limited to Banco Agrario. Government of Colombia management guarantees generate moral hazard for debtors, increasing the risks of lending for Financial Institutions (FIs). On the other hand, Colombia's geography makes it difficult for FIs to expand their coverage; security problems in many regions makes it difficult to manage liquidity and transport cash; and poor infrastructure (secondary and tertiary roads, connectivity) difficult to expand financial networks.

Year I Accomplishments:

Colombia gradually introduces mobile banking technology. The GOC has established several partnerships with banks to promote the use of mobile banking by using it to make welfare payments to households in rural areas. These payments have already reached 8,000 poor rural female heads of household in 15 municipalities, including two consolidation municipalities (Tumaco in Nariño and Puerto Asís in Putumayo). The GOC's aim is to rapidly and cheaply expand the use of mobile technology to extend financial networks and increase rural populations' access to financial services.

Flood-affected victims and victims of violence given access to finance. To help victims of the flood recover, the GOC designed financial instruments for debt alleviation and to facilitate access to new

¹¹ Only Colombia and Chile still have interest rate caps in Latin America.

credit. The GOC issued an emergency decree developing measures to alleviate financial hardships and designed a credit guarantee of US \$1.6 million to support approximately US \$8 million in new loans to facilitate access to new credits for flood-affected victims. Regarding victims of violence, the credit chapter in the Victims' Law as well as the policy guidelines and Victims' Decree aim to provide access to finance to victims of violence.

Counterpart Interfaces: Ministry of Finance (MOF), Financial Superintendence (FS), *Banca de las Oportunidades* (BDO), Department for Social Prosperity (DPS), Ministry of Agriculture (MADR), Banco Agrario (BA), Finagro, Ministry of Interior, Societies Superintendence, Ministry of Information and Communication Technology, Ministry of Trade and National Planning Department (DNP).

YEAR 2 ACTIVITIES AND ASSOCIATED RESULTS

SUPPORT ACTIVITY RESULT 2.1: FINANCIAL NETWORKS EXPANDED TO RURAL AREAS AND CONSOLIDATION ZONES

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

It is necessary to regulate financial transactions thorough mobile devices and other means of payment, such as prepaid cards. The objective is to promote financial inclusion, mainly within informal entrepreneurs and low-income population, increase the supply of financial products in rural areas, facilitate the payment of conditional cash transfers, such as subsidies, and aid the implementation of the GOC's formalization strategy. Technical assistance in Year 1 focused on supporting the Ministry of Finance (MOF) and the Committee (with representatives of the Central Bank, the Financial Superintendence (FS) and the Ministry of Information and Communication Technology) in the development of the E-Money regulation. The new *E-Money* Bill will be presented to Congress in 2012. In Year 2, the Program will provide limited assistance to the GOC to facilitate reparations payments to victims and conditional cash subsidies to the poor with the use of mobile banking.

Activities

- a. **Payment assistance:** Provide assistance and strategic support to the GOC to design a process to pay conditional cash transfers through *Familias en Acción* and disburse victims' reparations with the use of electronic transactions and mobile banking. To this end, the Program will evaluate on-going pilot mobile banking and electronic payments programs.

2.1.2 Liquidity Management in Banking Agents (CNBs) Improved

In Colombia there are 18,000 banking agents (CNBs) that have expanded financial presence to distant and underserved rural areas, including consolidation zones. Although there have been technological and operational advances, it has been difficult for FIs to expand their coverage through this channel due to the risks and costs of liquidity management that exist in Colombia. CNBs are crucial for the implementation of Mobile Financial Services (MFS), because they are the cash-in and cash-out points. Therefore, it is necessary to improve liquidity management in CNBs to facilitate their expansion towards rural areas and consolidation zones.

Activities

- a. **Improve liquidity management in rural areas:** Provide limited strategic assistance to improve cash management in municipalities with limited financial networks.

SUPPORT ACTIVITY RESULT 2.2: MAKE AVAILABLE FINANCIAL INSTRUMENTS TAILORED TO THE NEEDS OF THE POPULATION IN RURAL AND CONSOLIDATION AREAS, VICTIMS, AND VULNERABLE POPULATIONS

Delivery Requirements/Milestones

2.2.1 Interest Rate Caps Reviewed

In Colombia the GOC has capped the interest rate that FIs can charge for a loan. Capping interest rates hurts small producers and the poor because FIs typically have wafer-thin margins due to the high costs of making and collecting micro loan payments. Therefore, interest rate caps jeopardize FIs ability to disburse credits to the population in the bottom of the pyramid and have the perverse effect of driving more poor people into the arms of village loan sharks, who still provide the bulk of rural credit in Colombia. The Program will assess the MOF and the FS in the evaluation of the effects of having interest rates ceilings, in order to make recommendations and proposals to minimize the adverse effects of that ceiling on access to services financial for low-income population.

Activities

- a. **Interest rate cap study:** Finalize the study about the effects of interest rate ceilings.
- b. **Recommendation to modify interest rate caps:** Based on the aforementioned study, present proposals and recommendations to the MOF and Financial Superintendence to modify interest rate caps.

2.2.2 Agriculture Finance System (AFS) Improved

The current Agriculture Finance System (AFS) hampers agricultural producers' access to credit and to other financial instruments. Traditionally, the GOC promoted access to finance in the agriculture sector by taxing deposits and using this revenue to lend at subsidized rates to agriculture producers. The system has failed to expand financial networks in rural areas and has led to a concentration of loans among large agriculture producers. The proposed reform is expected to transform the GOC's Finagro into a development agency, strengthen *Banco Agrario* and its range of financial services, and encourage other financial institutions to begin lending operations to agriculture producers.

Activity

- a. **Assist the GOC in the reform of the Agriculture Finance System (AFS):** Provide strategic assistance to the GOC to reform the AFS, including *Finagro*, *Banco Agrario* and Agricultural Guarantee Fund - FAG). The recommendations are aimed at improving agriculture finance in for small farmers and vulnerable populations.

2.2.3 Financial Inclusion for Victims of Violence

The regulation to promote financial inclusion for victims is in place. Now it is necessary to develop the policy instruments to facilitate financial inclusion of this population.

Activity

- a. **Facilitate financial inclusion for victims:** Support the GOC to develop a policy instrument to facilitate financial inclusion for victims of violence.

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

Access to financial services in consolidation zones is low. In Montes de María, less than 4% of the population has access to microcredit; in the municipalities of the Central Region, with a few exceptions, less than 6% of the population has access; in the USAID Consolidated and Enhanced Livelihoods Initiative (CELI) North – South region, less than 10% of the population has access to microcredit. ACIP population is also underserved by FIs. Access to credit and other financial services should be accessible to the population of CELI and ACIP municipalities as a public good because they contribute to the recovery of the regions with high rates of social vulnerability which have been affected by the actions of illegal armed groups. Financial services facilitate income generation and the progress of urban, rural and agricultural businesses, that is, economic development of municipalities, and therefore the inclusion of the population into the dynamics of development and prosperity of these regions.

In Year 2, the Program will create synergies with the Regional and ACIP programs.

Activities

- a. **Work plan to expand financial services:** Develop a work plan proposal to expand financial services in consolidation and ACIP municipalities, ensuring synergies with the USAID regional programs and taking advantage of the knowledge and experience gained by AECOM during the implementation of the USAID MIDAS and ADAM microfinance programs.
- b. **Synergies with CELI and ACIP Programs:** Assist the CELI and ACIP Programs in the implementation of microfinance programs to expand access to financial services in the priority municipalities. Main activities will focus on supporting diagnostics to determine the current situation of access to financial services in the municipalities, negotiating agreements with FIs, assessing work plans with FIs; and initiating pilots in with USAID regional and ACIP projects.

SUPPORT ACTIVITY 3. LINKAGES BETWEEN GOVERNMENT LEVELS AND USAID IMPLEMENTERS

Overall Objective: The Public Policy Program will assist 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.

By creating and promoting linkages between local, regional, and national governments, the USAID Public Policy Program will facilitate interagency coordination, budgeting and implementation within the GOC, and coordination with USAID implementers, to ensure an integrated and strategic approach to key

policies for the regions. The Program will design mechanisms to enhance coordination among USAID implementers so that models and methodologies designed at the national level are effectively applied in the field and that communication channels for information exchange and knowledge sharing are in place.

Background: The Work Plan's approach provides focus for strategic interventions and ensures synergies across a wide range of GOC requirements and USAID priorities and regional programs. To ensure impact, national policies must be linked to their implementation on the regional level, and, the range of national level policies must be harmonized under a comprehensive framework oriented to promote regional development.

The coordination of regional planning instruments (that touch on the Program's 3 Pillars) will have special importance in these coordination activities. Land, victims', and consolidation policies all must manifest in the regional action plans for restitution, formalization, rural development, victims' assistance and reparation, and the regional consolidation action plans; coordination is required to ensure success of these policies. Creating a permanent network with USAID implementers in the regions, the Program will provide assistance to develop and implement methodologies required to assure the mentioned coordination.

Year I Accomplishments: During Year I, the Program provided technical assistance to the GOC in developing crucial reforms that will have a considerable impact on regional development. The support heavily focused on working with the GOC to improve coordination mechanisms between the numerous GOC agencies providing services in the regions and to develop policies oriented to strengthen the capacities of subnational governments to implement such reforms that configure a new regulatory framework in key areas (National Royalties System, consolidation policy, *Contratos-Plan*). Accomplishments during Year I include:

Inputs to National Development Plan:

- Institutional Strengthening of Subnational Governments Program and good governance strategies for local governments
- Real estate tax Reform
- *Contratos-Plan*

Constitutional Reforms:

- National Royalties System
- Amending sections 125, 130 and 150 of the Constitution to modify the powers of the National Civil Service Commission

Laws:

- Municipal Regime
- Departmental Regime
- Law regulating the Constitutional reform of the National Royalties System
- Law regulating organic budgeting procedures
- Law on organic budget, accountability and fiscal transparency procedures
- Law on Public – Private Partnerships

- Decrees and Regulations:
- Decree reforming existing systems and procedures for budget management (Integrated Public Financial Information - SIIF and the Unified System of Public Investment)
- Decree regulating the *Comisión de Ordenamiento Territorial*
- Draft Decree regulating the *Contratos-Plan*
- Resolution to adopt the regulation of the *Consejo Superior de Política Fiscal* – CONFIS
- Decree regulating the structure of the *Consejo Superior de Política Fiscal* – CONFIS

Workshops on:

- Public employment to identify civil service weaknesses and define Colombian Public Employment System ideal model
- Investment bankers for Public Private Alliances and Royalties
- 6 Workshops with sectors on reforming budgeting systems and procedures
- 2 Workshops on decentralization: 1 in Municipal Regime and 1 in Departmental Regime
- 1 Workshop on project delivery, procurement, contract types, and Public Private Partnerships for infrastructure projects
- 4 workshops on Institutional Strengthening of Subnational Governments: 1 workshop on national and local best practices, 1 workshop on international best practices, 1 workshop with technical officials of the Territorial Direction of the NPD for structuring the capacity-building program, 1 focus group with mayors

Counterpart Interfaces: DNP, MARD, Ministry of Interior, High Commission for Good Governance and Administrative Efficiency, Ministry of Finance, ESAP, Consolidation Unit, Administrative Department of Social Prosperity, Ministry of Environment, INCODER, Ministry of Transportation, USAID Regional Programs' Implementers: *Colombia Responde* Montes de María, CELI Central Region, CELI North - South Region, and ACIP.

SUPPORT ACTIVITY RESULT 3.1 LINK LOCAL, REGIONAL AND NATIONAL GOVERNMENT AND USAID IMPLEMENTERS

Activities

Bring national level policies to the regions & strengthening local government

- Methodologies to bring national level policies to the regions:** Inputs and recommendations, expressed in methodologies, manuals and guidelines, for bringing national policies to the regional level in areas such as: land, rural development, victims, consolidation, access to finance, livelihoods and income generation, infrastructure, royalties, and regional projects' planning and structuring, among others.
- Pilots to bring national policies to the region:** In coordination with the GOC and USAID Regional Programs, facilitate the implementation of the methodologies and manuals designed for bringing national policies to the regional level, in at least 2 regions selected as pilot projects (Montes de María and Sur del Tolima).

- c. **Methodology to prepare National Development Plans:** In coordination with GOC and USAID Regional Programs, coordinate and accompany the implementation of methodologies for elaborating National Development Plans, assisting sub-national governments in the inclusion of key National Policies such as Rural Development, Assistance and Reparation to Victims and Consolidation, into their development plans. This support and accompaniment will be hands on in at least 2 municipalities selected as pilot projects together with the USAID Regional Programs.
- d. **Support decentralization processes:** Technical Assistance to the Ministry of Interior and the National Planning Department in strengthening the reforms developed for improving the decentralization process in Colombia and promoting the coordination of reforms, strategies and mechanisms oriented to improve the development of territorial entities and regions, such as the municipal regime and departmental regime. Recommend the incorporation of institutional responsibilities for the implementation of national policies such as the Victims' Law, the land restitution policy and the NCRP in those reforms and instruments, and accompany their socialization with Congress and interest groups.
- e. **Policy framework for local governance/institutional strengthening:** Policy framework for strengthening Institutional capacities of subnational governments developed.
- f. **4 workshops** with national, departmental and local public officials, and USAID' regional implementers to improve coordination and ensure national level policies are brought to the regional level.

Mechanisms for budgeting and coordination at the territorial level

- g. **Contratos-Plan regulation:** Provide inputs and recommendations to the *Contratos-Plan* policy document and regulation. *Contratos-Plan* regulation and instruments designed to promote regional development strategies.
- h. **Contratos-Plan pilots:** Support in the design of a *Contratos-Plan* legal model, integrating Land and Rural Development, Victims and Consolidation, in at least 2 regions selected as pilot projects: Montes de María, and Sur del Tolima.

Rural development Programs with a Territorial Approach (PDRET)

- i. **Support Rural Development Programs with a Territorial Approach (PDRET) and harmonize with territorial plans:** Led by the GOC, and in coordination with USAID Regional Programs, provide technical assistance to design policy guidelines, methodologies, manuals and guidelines for planning and implementing Rural Development Programs with a Territorial Approach (PDRET), integrating it with other regional planning instruments such as: Departmental and Municipal Development Plans, Consolidation Regional Action Plans and Assistance and Reparation to Victims' Regional Plans.
- j. **Pilots to support PDRETs and harmonize with territorial plans:** Facilitate and accompany GOC and USAID Regional Programs in developing the methodologies and action plans for planning and implementing Rural Development Programs with Territorial Approach, in at least 2 regions selected as pilot projects (Montes de María and Sur del Tolima).

SUPPORT ACTIVITY RESULT 3.2 SUPPORT GOC INSTITUTIONAL STRENGTHENING FOR GOOD GOVERNANCE

Activities

- a. **Support public employment system:** Finalize support for: reforming the National Civil Service Commission, drafting of a public employment legislative act, and design of public employment system model.
- b. **Support anti-corruption policy:** Support the development of a guidelines for the formulation of a comprehensive anti-corruption policy.

SUPPORT ACTIVITY 4. ENVIRONMENT

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

The main results to be supported under the crosscutting environmental activities are:

- Improved monitoring, conservation and protection of biodiversity.
- Support Implementation of the Policy that defines the National Protected Areas System - SINAP
- Support Policy Design to develop Payment for Environmental & Cultural Services (PECS).
- Support GOC in climate change policy initiatives

Background: The National Development Plan 2010 – 2014 contains an environmental chapter named “Environmental Sustainability and Risk Prevention,” which includes the following 4 main topics: Environmental Management for Sustainable Development, Environmental Risk Management, Response to the increased rains and flooding as a consequence of climate change, and efficient energy use. The GOC also developed an environmental ten-year plan that aims to develop environmental strategies for national, regional and local levels. The major difficulties for the achieving these objectives are the lack of coordination between GOC agencies and weak regional oversight, which complicates the enforcement of legislation and monitoring of the protection of diversity. Additionally, the GOC lacks economic instruments to stimulate or promote environmental sustainable practices and the conservation of natural forests and biodiversity.

In Year 1 the Public Policy Program supported the creation of a new Ministry for Environment and Sustainable Development. In Year 2, the program will support the GOC in the implementation of a

comprehensive strategy on the reduction of greenhouse gas emissions, climate change, and the protection of natural resources.

Year 1 Accomplishments: The main accomplishment of Year 1 was the support for separation of the Ministry of Environment, Housing and Territorial Development. The program supported the drawing up of the decrees that defined the general structure of the Ministry of Environment and Sustainable Development, and its related functions. The Climate Change CONPES 3700 was signed in June 2011, which includes the main national challenges for adaptation to climate change.

Counterpart Interfaces: Ministry of Environment and Sustainable Development, National Parks Unit (PNNU), Naturalmente Colombia (as a management strategy for the protected areas).

YEAR 2 ACTIVITIES AND ASSOCIATED RESULTS

SUPPORT ACTIVITY RESULT 4.1 SUPPORT IMPLEMENTATION OF THE POLICY THAT DEFINES THE NATIONAL SYSTEM OF PROTECTED AREAS -SINAP (CONPES 3680)

Colombia's methodology for evaluating natural spaces is outdated. Colombia needs a new methodology to evaluate natural spaces and in some cases re-categorize them into more appropriate types of areas. Colombia will be able to protect these areas more appropriately; updated maps will also be an important input for future land use and land formalization processes. A major priority for the GOC is to protect environmental corridors. Environmental corridors are areas that contain more than one protected area, and may include adjoining unprotected zones. Biological corridors have conventionally been seen as a means of countering habitat fragmentation and facilitating species movements between protected areas.

Activities

- a. **Harmonize protected areas categories:** Support the National Parks Unit (PNNU) in developing an instrument for harmonizing protected areas categories. This instrument will be applied and adjusted in 12 Regional Environmental Authorities (Corporaciones Autónomas Regionales). Define the conservation status for recategorization and protected areas declaration at the regional level, and identify the conservation gaps, and define conservation priorities. Provide support for methodological issues related to marine and coastal protected areas *vis a vis* the National Protected Areas System Law and specifically support the aforementioned process for marine and coastal protected areas.
- b. **Evaluation system for the National Parks Unit:** Defining indicators and an evaluation system in order to evaluate the effectiveness in of PNNU management. Support the PNNU in defining the procedure for the harmonization of the protected areas categories.
- c. **Business plan for Protected Areas Management:** Support the GOC and Naturalmente Colombia to define a business plan for Protected Areas Management. The business plan will support a 5-year goal strategy in terms of budget and administration of protected areas.

SUPPORT ACTIVITY RESULT 4.2 SUPPORT POLICY DESIGN TO DEVELOP PECS

One of the most important steps to the reduction of greenhouse gas emissions and adaptation to climate change is the design of economic instruments to stimulate sustainable practices and conservation of natural forests.

Activity

- a. **Reducing Emissions from Deforestation and Degradation:** Support the GOC, drafting a policy document on Reducing Emissions from Deforestation and Degradation (REDD).

SUPPORT ACTIVITY RESULT 4.3 SUPPORT GOC IN CLIMATE CHANGE POLICY INITIATIVES

The establishment of a climate change plan, biodiversity protection and conservation plan, the reduction of greenhouse gas emissions, and a land use plan are GOC priorities. The GOC requires support to develop an integrated policy to address these issues.

Activities

- a. **Climate change policy document:** Assist in the preparation of the final Climate Change policy document.
- b. **Low Emission Development Strategy (LEDS) study:** Support the low carbon emissions development strategy (LEDS) study (4 sectors: energy, transportation, industry and agriculture and forestry).
- c. **Support National LEDS strategy:** Support for the coordination of the national low emissions development strategy.

SUPPORT ACTIVITY RESULT 4.4 SUPPORT GOC IN SUSTAINABLE URBANISM AND CONSTRUCTION

Seventy-five percent of Colombian homes are located in urban areas. High demographic growth has a direct impact on the extraction of natural resources, waste product increase, increase of CO2 emissions, and climate change. This makes the development of a national policy on the sustainable urbanism and construction necessary.

Activity

- a. **Sustainable urbanism and construction policy document:** Assist in the preparation of the Sustainable Urbanism and Construction Policy Document.

SUPPORT ACTIVITY RESULT 4.5 SUPPORT TO CONTROL ILLEGAL MINING

Given the negative ecological fingerprint generated by illegal extraction of natural resources, and its effects on: degradation of natural resources, rural land use, and water supply, the GOC urgently needs integral policy guidelines to control further degradation and guarantee responsible coexistence of agriculture, mining, and environmental preservation.

Activity

- a. **Illegal mining control policy document:** Assist in the preparation of a policy document that approach illegal mining in order to control the current situation.

SUPPORT ACTIVITY 5. AFFIRMATIVE ACTIONS FOR AFRO-COLOMBIANS

Background: The Program will continue supporting activities related to ethnic groups. The first one is related to monitoring the “Prosperity Agreements” made within the framework of the National Development Plan. The current National Government agreed to specific actions with Afro-Colombians, Rroma and Indigenous peoples; these pacts must be monitored to guarantee their fulfillment.

The Program also supported the construction a Law on Participation and Representation for Black Communities, Afro-Colombians, *Raizales* and *Palanqeras*, an affirmative action framework that aims to guarantee the effective enjoyment of rights for these populations. This law has not been placed registered with Congress yet. Therefore, the Program will continue working on the construction of this law and the consequent regulation.

Year I Accomplishments: Draft of the Law on Participation and Representation for Black Communities, Afro-Colombians, *Raizales* and *Palanqeras*.

Counterpart Interfaces: National Planning Department, Ministry of Interior, and Vice-President’s Office - Programs for Afro-Colombians and Indigenous-.

SUPPORT ACTIVITY RESULT 5.1 AFFIRMATIVE ACTIONS FOR AFRO-COLOMBIANS

The Program will promote spaces for dialogue and discussion regarding the *Consulta Previa*¹² process. Colombia recognizes the right of minorities to participate in policy making when actions included in policies affect their life conditions, nevertheless this consultation process lacks regulation. So, it requires a wide debate to discuss how the consultation should be made.

Activities

- a. **Afro-Colombian participation:** Support the final version of the Law on Participation and Representation for Black Communities, Afro-Colombians, *Raizales* and *Palanqeras*.
- b. **Monitor GOC commitments to indigenous peoples and Afro-Colombian communities:** Serve as the technical secretariat to the *Technical Roundtable for Inter-institutional Coordination*, which monitors GOC commitments made to indigenous peoples and Afro-Colombian communities. Developed and implement a tool to monitor the progress made by each one of the entities responsible for commitments made within the framework of the National Development Plan.
- c. **2 Workshops** to discuss regulation of *Consulta Previa*.

SUPPORT ACTIVITY 6. KNOWLEDGE MANAGEMENT

Overall Objective: The Program’s Knowledge Management strategy aims to produce strategic communications on Program achievements and lessons learned, and also builds a knowledge base, for

¹² *Consulta previa*. See footnote No. 4.

internal and external audiences, regarding the processes and methods used to achieve public policy innovation and profound legal and institutional change in Colombia.

Background: Since its inception on October 22, 2010, the USAID Public Policy Program has played a decisive role as a key technical resource ensuring the success of ambitious reforms undertaken by the government of Colombia (GOC). The Program has supported the GOC at a crucial moment in history as it seeks to implement profound legal and institutional changes. These changes are designed to address fundamental problems underlying the history of Colombia's armed conflict – violence, poverty, exclusion, economic decline, and social segmentation.

As noted in the Program's recent Contractor Performance Assessment Report (CPAR), in 16 months the Program has operated as the primary mechanism for the delivery of public policy reform assistance from the United States government to the Colombian government. It has developed the capacity to meet technical challenges effectively and to resolve them under the highest quality and time standards. The Program has worked hard to establish strong relationships of trust with institutional counterparts, facilitating the achievement of results at a faster pace than outlined in the Program's original work plan.

Thus, in a short time the Program has become a working laboratory of technical knowledge and a center for public policy innovation. The Program has proved itself capable of proposing new and effective instruments that constitute, on the one hand, a valuable body of applied knowledge, and on the other, a continuous source of policy reform results and information.

The Program must seize the opportunity to tell its successful story, position its messages, and to gain and consolidate the attention of new audiences in which we are interested, while strengthening the flows of information to direct stakeholders already familiar with the Program's work.

Year I Accomplishments: In Year I the Program produced 4 Quarterly Reports, 52 Land Weekly/Bi-weekly Reports, monthly e-bulletins and Weekly/Bi-Weekly Reports for Victims, Consolidation, Labor, Access to Finance and Environment.

Activities:

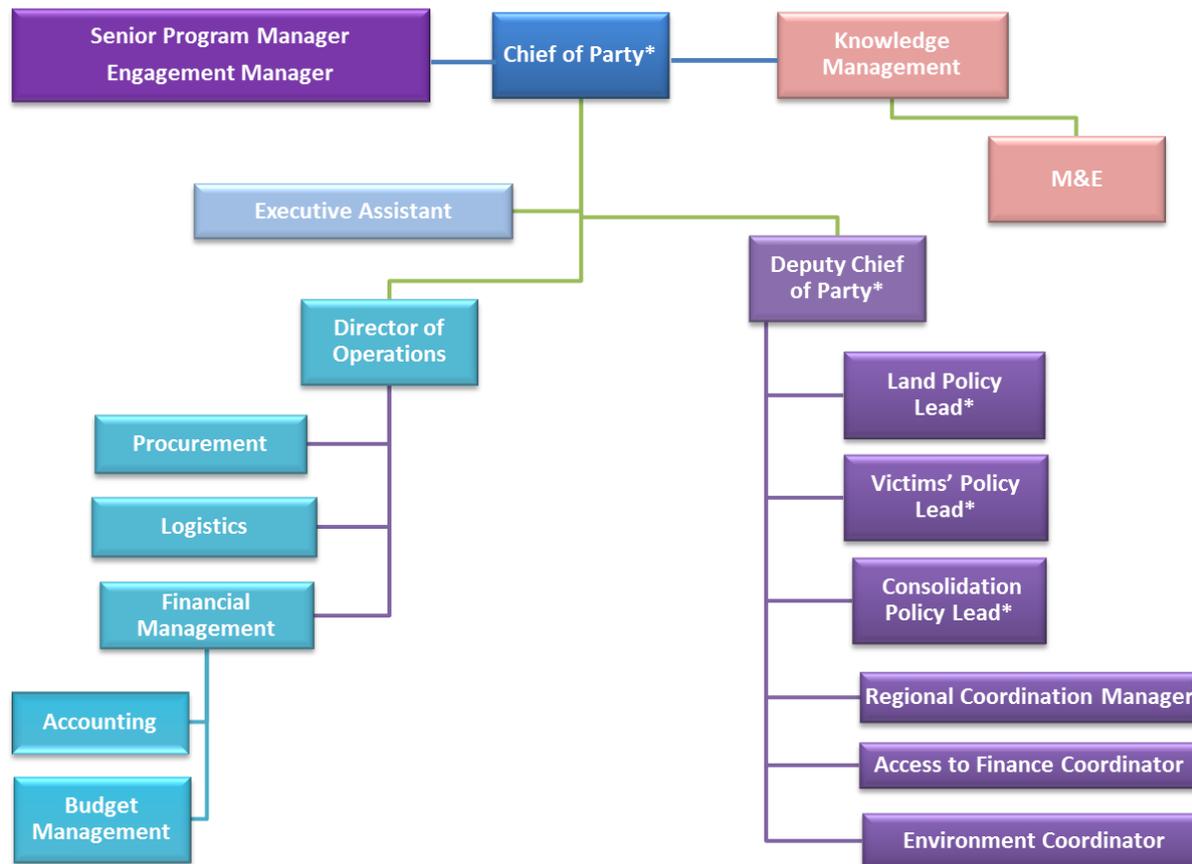
- a. **MONITOR:** Participate in USAID monitoring and evaluation information system based on Program indicators and budget execution.
- b. **Knowledge Management Strategy design:** Design a knowledge management strategy that meets the following objectives: Define the key messages regarding the Program's work, innovations, and results; Identify and expand the Program's audiences, understanding the ways in which they use the information provided and responding to their information needs; Tell the Program's story in a meaningful way through the implementation of effective communications resources in order to enhance the disclosure and dissemination of the messages and the development of high quality and attractive communications products; Develop useful academic knowledge about the Program and introduce it to the academic community.
- c. **Case studies:** A series of at least two case studies (one completed in Year 2, one completed in Year 3) based on the Program's operations, highlighting the public policy innovations produced, the way in which they were developed, successes and difficulties, and lessons learned about making innovations work and achieving results. In essence, it will answer the question of how the Program was able to implement public policy reform in Colombia.

- d. **Website designed and functioning:** Based on the weekly report information as its platform, the website will be designed and operated by as an interactive communication tool with which to build and maintain audiences via a viral dissemination strategy.
- e. **Quarterly Reports: *Contract Compliance Reports and Deliverables:*** As part of an integrated strategy, the preparation and edition of quarterly, annual, and final Program reports will continue under the Knowledge Management team's responsibility.
- f. **E-bulletin:** A monthly e-bulletin based on success stories, fact sheets, and case studies, linked to Program achievements.
- g. **Weekly/biweekly reports:** This report is a powerful content resource and a unique historical record of our achievements that "tells the story."
- h. **Work Plan:** Prepare annual work plan in compliance with Performance Work Statement.
- i. **Documentation and Release of Program Products:** Review the content of approved Program deliverables, describe and upload them into the Program's information management system (one source), and identify deliverables to be submitted to the Development Clearinghouse – USAID's Development Experiences Center.
- j. **Deliverable Quality control:** Implement a multi-stage quality assurance/quality control process for technical documents that support key GOC reform milestones and deliverables.
- k. **Public discussion of key policy issues:** Coordinate with Instituto de Ciencias Políticas (ICP) on: (1) Generation, accompaniment, and leading of the development of opportunities for dialogue among public, social, business and environmental stakeholders on key policy issues; (2) Working with media and opinion leaders to encourage the proper approach and coverage of issues and decisions concerning the project; and (3) Encourage transparency, raise visibility and socialize the actions.

ANNEX I. NEW PERFORMANCE WORK STATEMENT (PWS)

Results/Performance Standards	Delivery Requirements /Milestones	Year 1	Year 2	Year 3	Year 4	Year 5	Quality Assurance/ Quality Control
Program Goal: Improved economic and social conditions of vulnerable Colombians through effective rights-based institutional presence							
PILLAR ONE: LAND POLICY							
1.1 Land restitution chapter of the Victim's Law implemented	1.1.1 Land Restitution Unit established		●				Expert panel
	1.1.2 Inputs to Compensation decree		●				Expert panel
	1.1.3 Inputs to Land Restitution for Ethnic Minorities decree	●					Expert panel
1.2 Land and Rural Development Law drafted	1.2.1 Inputs to Law for Rural Development			●			Expert panel
	1.2.2 Design of Unit for Rural Land Use Planning	●					Expert panel
	1.2.3 Design of Sustainable Livelihoods Policy Framework			●			Expert panel
	1.2.4 Design of Regional Rural Development Areas Programs		●				Expert panel
1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure	1.3.1 Design of formalization program		●				Expert panel
	1.3.2 Regulatory framework for land formalization	●					Expert panel
	1.3.3 Design of institutional structure for formalization program	●					Expert panel
PILLAR TWO: VICTIM'S POLICY:							
2.1 Victims' Law institutions designed	2.1.1 Design of Department of Social Prosperity (DAPS)			●			Expert panel
	2.1.2 Design of Victims' Unit		●				Expert panel
	2.1.3 Design of Regional Victims' Assistance Centers		●				Expert panel
	2.1.2 Design of Center for Historical Memory		●				Expert panel
2.2 National plan for Victims' humanitarian assistance and reparations	2.2.1 National Plan for victims' reparations in place		●				Expert panel
	2.2.2 Design of regional reparations plans		●				Expert panel
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		●				Expert panel, Meeting evaluations; stakeholder surveys
PILLAR THREE: CONSOLIDATION POLICY							
3.1 National Consolidation Policy (NCP) framework revised	3.1.1 Revised NCP framework	●					Expert panel
	3.1.2 Regional Consolidation Action Plans			●			Expert panel
	3.1.3 Design of interagency and inter-governmental budget and coordination mechanisms			●			Expert panel
3.2 Institutional structure designed to implement the NCP at the national and regional level	3.2.1 Design of Consolidation Unit		●				Expert panel
	3.2.2 Design of Consolidation Fund		●				Expert panel

ANNEX II: NEW STAFFING CHART



* Indicates Key Personnel