USAID | COLOMBIA
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Country Development Cooperation Strategy 2014-2018

A Path to Peace

June 13, 2014

Mission Goal:
Colombia more capable of successfully implementing a sustainable and inclusive peace

- Expanded State Presence
- Reconciliation
- Rural Economic Growth
- Environmental Resiliency

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Executive Summary

After a half-century of intractable violence, Colombia may be nearing an end to its fifty-year internal armed conflict. Ongoing negotiations between the Government of Colombia (GOC) and the Revolutionary Armed Forces of Colombia (FARC – the Western Hemisphere's oldest insurgency) continue to advance, albeit slowly, with an array of complex issues still to be resolved. The United States Government (USG) has clearly stated its support for these negotiations and is planning to assist in the implementation of any agreement that may result from the talks.[1]

But regardless of whether an agreement is reached, growing evidence suggests that Colombia is already on a path out of conflict toward greater stability and development. Colombia's own extraordinary efforts, coupled with a greatly enhanced USG security and economic development support beginning in 2001, show a clear, positive and measurable trend of diminishing conflict.

USAID's 2014-2018 Country Development Cooperation Strategy (CDCS) describes the USG's development assistance package in support of Colombian efforts to continue the transition out of conflict, including support for the implementation of an agreement to end the conflict should one be reached. While this CDCS is based on the assumption that an agreement will be reached, the program presented herein is scalable to peace agreement and non-peace agreement scenarios.

Colombia is not a typical aid recipient and USAID's commitment stems from the instability and strife associated with the country's 50-year civil conflict. Colombia's status as a steadily growing middle-income country masks severe inequities. In reality, there are two Colombias: a dynamic and sophisticated Colombia in a half-dozen urban centers such as Bogota and Medellin that coexists with a poor, institutionally weak, conflict-ridden rural Colombia. While it is true that Colombia's economy has grown at an impressive annual average of 4.4% from 2007 to 2012, and that foreign direct investment has grown almost tenfold during the same period, the benefits of sustained economic growth have been unequally distributed. Large parts of the country still remain beyond the authority of the state and have not benefitted from the broader success of the Colombian economy. As a consequence of protracted historical neglect, these ungoverned, largely rural areas suffer from unacceptably high poverty rates, low basic human development indicators, and lack of sustainable, licit economic opportunities. Because the grievances surrounding these issues drive conflict, Colombia must address them in order to transition to a durable peace.

The GOC recognizes this and is taking important steps toward broader, more inclusive and equitable socio-economic development, particularly in rural areas. The Victims and Land Restitution Law, recent GOC-FARC pre-agreements on land, rural development and political

[1] Echoing the support expressed repeatedly by the White House, Secretary of State Kerry noted "We will do everything possible to try to bring peace in Colombia" while visiting Bogota in August of 2013.

participation, as well as several other important GOC social and economic reforms, create real opportunities to further advance the transition out of conflict. Should the GOC and FARC reach an agreement, its successful implementation will require an extraordinary effort by Colombia with support from the international community.[2] And while analysts point to the likelihood of new forms of conflict emerging in a post-agreement Colombia, an agreement would improve conditions for investments in stability and development.

The strategic objective of the CDCS is to **strengthen Colombia's capacity to implement a sustainable and inclusive peace**. Progress toward this goal will be achieved through four development objectives: (1) Effective presence of democratic institutions and processes in targeted areas; (2) Reconciliation advanced among victims, ex-combatants and other citizens; (3) Improved conditions for inclusive, rural economic growth; and (4) Environmental resiliency and low-emissions development strengthened. The CDCS is closely linked to the GOC-FARC negotiation agenda and can be scaled up to address the extraordinary needs associated with implementing an agreement.

Colombia requires support to strengthen democratic institutions and state presence in areas transitioning out of conflict. USAID will assist Colombia to increase transparent and accountable public investment and service provision; access to justice; and respect for human rights in these areas. USAID will build the capacity of national and sub-national governments, as well as civil society (including ethnic minorities), to access, transparently invest and oversee public funds available via inter-governmental fiscal transfers and supplementary budget resources likely to be made available in the event of a GOC-FARC agreement. Related to this and depending on conditions, USAID could support the establishment and start-up of new institutional mechanisms to implement and monitor GOC-FARC agreements. USAID support for GOC initiatives that expand access to justice (e.g. alternative dispute resolution mechanisms and justice houses), and legal and other services for sexual violence victims will be key to bringing the most basic of state functions to conflict zones. An important complement to this will be USAID's continued support for the prevention of human rights violations, increased ability of citizens to submit complaints, and defense of the rights of minorities and women. Even with a GOC-FARC agreement, analysts suggest that rights violations may increase in conflict zones, underscoring the strategic importance of such efforts.

The conflict has left six million victims, including almost five million displaced. Peace requires reconciliation among citizens, and with the passage of the 2011 Victims and Land Restitution Law, Colombia has taken a significant step in this direction. USAID will assist the GOC to improve implementation of the law, strengthening reparations, psycho-social support, and the truth-telling process. Additionally, efforts will support societal integration of ex-combatants and former child soldiers, preventing recruitment into criminal gangs and illegal armed groups. Furthermore, USAID will support ethnic communities – particularly Afro Colombians and

[2] Jaramilllo, Sergio, May 9, 2013 speech at the *Universidad Externado*, in which the GOC's High Commissioner for Peace presents the concept for implementing the Havana agreements, including a 10 year transition period during which a special legal dispensation, a new institutional framework, supplementary budget resources, and societal-wide participation will be required in order to successfully implement an agreement to end the conflict.

indigenous - who represent up to one quarter of Colombia's population and have disproportionally suffered the effects of conflict.

Creating improved conditions for inclusive rural economic growth will be critical to addressing the drivers of conflict. To this end, USAID will first support GOC land tenure security initiatives, including land restitution and rapid extension of titles to rural citizens (including collective titles to indigenous and Afro-Colombian communities). This will include assistance to develop a modern cadaster so that the GOC can maintain accurate land ownership and titling information, a key prerequisite to guaranteeing property rights. Second, USAID will help build local governments' capacity to compete for and invest public funds available for productive infrastructure, including roads. Third, USAID will continue long-standing and successful partnerships with the private sector to increase investment in conflictive areas, pairing small producers and ethnic minorities with private firms to access higher paying markets for competitive agricultural products. Lastly, USAID will strengthen the capacity of producer associations, a lynchpin of the rural economy, to provide services and benefits to their members (mainly small farmers), including securing markets and negotiating with buyers and providing extension services. These efforts help farmers escape poverty and the trap of drug crop production. USAID will address gender and ethnic disparities, as these tend to be exacerbated in rural areas.

To strengthen environmental resiliency and low-emissions development, USAID will implement the USG Presidential Initiative for Global Climate change and support protection of the country's rich biological diversity in a manner that is sustainable and financially benefits local populations. This includes support to low carbon economic growth through increased investments in clean energy and low-emissions development, as well as improved community resilience to changing weather patterns and protection of significant ecosystems. As 37% of Colombia's emissions footprint is derived from the agriculture sector, environment programming will closely align with Colombia's rural development investments, as well as ongoing land restitution and formalization efforts. Further, sustainable land-use planning not only contributes to environmental goals, but also reduces natural resource-based conflicts.

In terms of the timing of CDCS implementation, and in the event of a GOC-FARC agreement, the first 24 months following an agreement will be critical. Successful completion of this first stage will be evidenced by the continued commitment of ex-combatants and civil society to peace. To achieve this, USAID will provide rapid support to the GOC to ensure it has the strategic thrust needed to achieve success during this critical period. On the one hand, the GOC will need to demonstrate "quick wins" and deliver on its part of the agreement; on the other hand, the FARC will need to demobilize and reject violence as a means to advance political interests.

To conclude, USAID has played an important role in the USG's broader inter-agency efforts to strengthen the Colombian state, transition out of internal armed conflict, and lay the foundations for peace. Given Colombia's status as a middle-income country and its growing ability to address its own development challenges and even those of its neighbors, USAID plans a gradual transition from an assistance relationship to one of increasingly greater partnership.

I. Development Context

Colombia is emerging from decades of conflict. According to the Presidential Program for Human Rights, massacres have fallen by 71%, from 115 in 2002 to 33 in 2012; kidnappings fell by close to 90%, from almost 2,900 in 2002 to 305 in 2012; murders have fallen by almost 50%, from about 28,700 in 2002 to about 14,600 in 2012; forced displacements have fallen by 38%, from approximately 412,600 in 2002 to 256,600 in 2012; coca cultivation was down in 2012 by 25% from 2011 levels; and for the first time in many years, Colombia ranked second after Peru in terms of cocaine production.[3] Colombia's armed forces have weakened illegal armed groups, pushing them out of central areas of the country to the relatively unpopulated periphery. The number of FARC and ELN guerillas has fallen to an estimated 9,500 individuals, less than a third of their peak strength in the late 1990s.[4]

A middle-income country and the region's third-largest economy after Brazil, and Mexico, Colombia is not a typical aid recipient. The country's estimated 2011 GDP stood at $333 billion with per capita GDP of over $7,100.[5] Despite the ongoing conflict, the economy has grown at an average of about 4.4% over the past five years and direct foreign investment has grown tenfold during the same period.[6] This has helped increase the size of Colombia's middle class significantly, from 15% of the population in 2002 to 28% in 2011.[7] Colombia is advancing steadily toward formal OECD accession.

Colombia's development, however, has been hampered by the conflict and the deep inequalities that fuel it, especially in rural regions of the country. Levels of inequality, while improving, remain high. The Gini coefficient, which measures inequity on a scale of zero to one, stands at .539,[8] placing Colombia at number 19 among the world's most unequal countries (and seventh in Latin America). Land ownership is highly unequal with just 1.2% of the population controlling 52% of the land.[9] Furthermore, the latest figures show that one-third of Colombians are poor (living on less than $2 a day) and 10% are extremely poor (living on less than $1.25 a day).[10] Extreme poverty in rural areas is much worse, at 23%. And the geography of the conflict has meant that vulnerable groups living in those areas, particularly Afro-Colombians, indigenous, and more remote rural populations, have suffered disproportionally. For example, Afro-Colombians and Indigenous who comprise up to 25% of the overall population account for 35% of those displaced.[11]

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[3] See http://www.derechoshumanos.gov.co/Observatorio/Documents/Cifras-Nacionales-2002-Julio-2012.pdf
[4] *Agencia Colombiana de Reintegracion*, 2012
[5] See http://data.worldbank.org/country/colombia
[6] Departamento Administrativo Nacional de Estadististicas (DANE), Bogota, 2013
[7] http://www.portafolio.co/negocios/se-duplica-la-clase-media-colombia
[8] http://www.portafolio.co/print/economia/cifras-pobreza-y-desigualdad-colombia-2012
[9] UNDP Report: Reasons for Hope, 2011 p.50: http://pnudcolombia.org/indh2011/pdf/resumen_ejecutivo_indh2011.pdf
[10] http://www.elespectador.com/noticias/economia/colombia-debe-hacer-mas-esfuerzo-el-sector-rural-articulo-452802
[11] United Nations – Economic and Social Council: El Racismo, La Discriminacion, La Xenofobia Y Todas Las Formas de Discriminacion, 2004, http://www.acnur.org/biblioteca/pdf/3183.pdf

It is hard to overstate the great opportunity for peace that is within Colombia's grasp. If the long-running conflict comes to an end, many analysts predict a new, bright future for the country.[12] If a negotiated peace is indeed within reach, building a durable peace and overcoming the historical neglect that spawned the conflict will require an enormous national effort. But even in the absence of a peace agreement, the seeds of transition are already being sown. The GOC has already begun the transition to peace by addressing both the root causes and social consequences of 50 years of conflict. Over the past three years, the GOC has launched an ambitious set of social and economic programs (many developed with USAID support) that signify a sharp break from centuries of neglect of the more remote regions of the country.

For example, the *2011 Victims and Land Restitution Law*, coupled with expanding GOC land titling efforts, is an effort to make land reparations to 360,000 families displaced by conflict and begin to address Colombia's extremely unequal distribution of land ownership.[13] Since 2010, the GOC has provided land titles for over two million hectares (almost five million acres), benefitting nearly 40,000 families (including women heads of household, rural farmers, indigenous communities, and Afro-Colombians). Moreover, the GOC is doing so with a *differentiated approach* that is targeting the specific needs and requirements of vulnerable groups, such as Afro-Colombians, indigenous groups and women.

The GOC has also launched significant new initiatives that re-direct public investment to historically neglected areas, reflecting the GOC's commitment to fulfill its responsibilities to deliver basic services and bring economic development to historically disadvantaged areas.[14] For example, the GOC is committing multi-year resources for infrastructure, housing and social investment through an innovative *Contrato Plan* process. *Contrato Plans*, launched with significant USAID support, are a negotiated pooling of municipal, departmental and national resources into one investment fund for underdeveloped regions; these are then spent on priority projects with public accountability mechanisms built it. Colombia also has a new framework for sharing taxes levied from natural resource extraction. This new *Royalties Law* redirects government revenue from oil, gas, coal and gold concessions to municipalities based on unsatisfied basic needs. During the CDCS period, close to $50 billion in royalty payments are expected to flow from the national treasury to local authorities.[15]

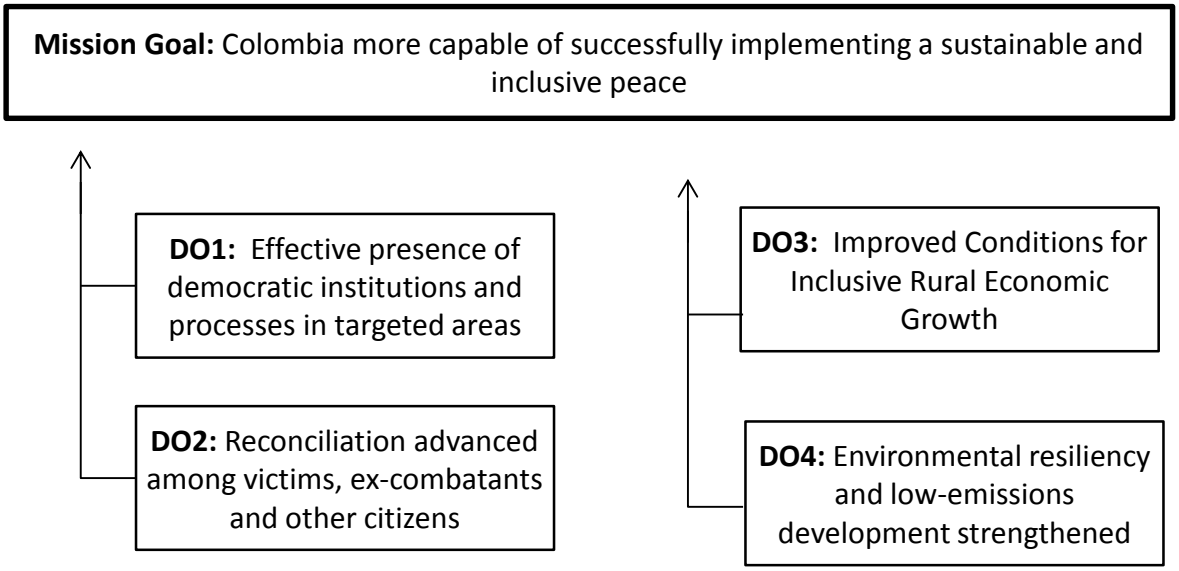
In addition, the GOC launched the first-ever *Colombian National Gender Policy* in September 2012, which outlines strategies for female empowerment and gender equality in a range of areas, including anti-violence plans and the protection of internally displaced women.[16] To this end, USAID will work closely with the Senior Presidential Advisor for Gender and other GOC institutions responsible for its implementation, and will continue support for other policies, laws, and programs that strengthen gender equality, women's political participation, and anti-

[12] http://www.elespectador.com/noticias/economia/paz-economia-creceria-mas-del-6-articulo-449639
[13] Semana Magazine, March 17, 2012.
[14] Official Consolidation Unit website: http://www.consolidacion.gov.co/
[15] Colombian Ministry of Finance, Royalties Law 1530, 2012
[16] http://www.equidadmujer.gov.co/Documents/Lineamientos-politica-publica-equidad-de-genero.pdf

gender-based violence efforts.[17]

Finally, the recent creation of the *Presidential Programs for Afro-Colombians and Indigenous Peoples* manifests the GOC's commitment to redressing the historic marginalization of two groups that, according to some estimates, make up approximately 20-25% of the population.[18]

II. USAID/Colombia Program



A. USAID/Colombia's Development Hypothesis

Were it not for the instability and strife associated with the 50-year civil conflict, USAID would not be operating in Colombia. With Colombia now making the transition to peace, USAID/Colombia anticipates this CDCS as a final phase of robust bilateral assistance.

The USAID Mission goal is to build a "*Colombia more capable of implementing a durable and inclusive peace.*" USAID will provide critical technical assistance to Colombian public and private institutions so that Colombia can build a stronger state presence in conflict zones, seek reconciliation and post-conflict justice, and promote inclusive economic growth.

Thus, unlike more traditional USAID programs that measure success in terms of the number of people that benefit from health, education, water and sanitation, or other traditional development investments, USAID/Colombia will measure success by whether key Colombian institutions demonstrate an enhanced ability to implement the country's ambitious policies aimed at addressing the causes and consequences of conflict. Once partner institutions (either

[17] For the first two years of this CDCS, USAID will preside over the international Gender Roundtable for Colombia.
[18] World Bank Report: The Gap That Matters – Poverty and Well-Being of Afro-Colombians and Indigenous Peoples. July 20, 2005: Executive Summary.

public or private) effectively perform at the needed level, the work of USAID will be accomplished.

This CDCS has four Development Objectives (DOs) critical for the achievement of the Mission goal of building Colombian capacity. These DOs are: (1) *Effective presence of democratic institutions and processes in targeted areas*; (2) *Reconciliation advanced among victims, ex-combatants and other citizens;* (3) *Improved conditions for inclusive rural economic growth; and* (4) *Environmental resiliency and low-emissions development strengthened*. Each of these DOs represents an area where institution building support by USAID contributes to the GOC's ability to ensure a durable and equitable peace.

USAID/Colombia's support for *effective presence of democratic institutions and processes in targeted areas* assists Colombia in extending institutional presence and control to those areas transitioning out of conflict as a prerequisite to peace. USAID will support the Colombian government to get services out more quickly, especially in the event of a peace agreement, to previously neglected areas, to protect human rights, and to provide access to justice. A durable peace also requires strong civil society organizations that can represent citizen interests democratically, demand accountability and transparency (especially given the potential harm that arms and ill-gotten fortunes can do), and actively monitor public expenditures for corruption. Efforts will provide continuity to strengthening Mission support to Colombia's consolidation efforts by strengthening a set of more recently enacted GOC tools for bolstering state presence and public investment, including royalties resources and other inter-governmental transfer mechanisms.

Reconciliation advanced among victims, ex-combatants and other citizens is based on the belief that a durable peace depends on the successful maturation of four Colombian institutions: the Victims Unit that is charged with providing reparations to the over five million victims of the conflict; the Colombian Reintegration Agency that manages the reintegration of ex-combatants into civilian life; the Family Welfare Institute, which rehabilitates former child soldiers; and the Center for Historical Memory that has a mandate to promote reconciliation through the truth-telling and documentation of the conflict.

Creating *improved conditions for inclusive rural economic growth* is an essential part of creating a durable peace since poverty and inequality are at the roots of the civil conflict. Inclusive economic growth will focus on vulnerable populations, including those living in neglected areas of the country as well as Afro-Colombians, indigenous and women. Creating the conditions for rural growth will mean enhancing the ability of new and reformed GOC institutions to accelerate the land restitution process and speed the issuance of land titles, spurring private sector investment in former conflict zones (including contract forming arrangement with small producers), and building the capacity of producer organizations to deliver services to their members. Efforts will contribute to USG consolidation programs by providing alternatives to coca production.

Efforts to strengthen *environmental resiliency and low-emissions development* are primarily driven by the U.S. Presidential Initiative for Global Climate change and growing imperative to protect Colombia's rich biological diversity. But such efforts are also closely tied to the transition to peace given the clear overlap between the "conflict geography" and areas with globally important natural resources. For decades, a lack of effective state presence in some of Colombia's most biodiverse areas allowed illegal armed groups to take refuge in these ungoverned spaces and generate profit from illegality in those places. Reasserting the authority of the state in these environmentally important areas and ensuring that improved natural resource management creates benefits for local populations are important contributions to peace.

B. Expected Strategic Outcomes

What will Colombia "look like" after this five year CDCS is completed? If a peace agreement is signed, we anticipate that Colombia's own extraordinary efforts to respond to a historical opportunity, coupled with targeted USG assistance, will help create a Colombia where:

- An effective and capable Victims Unit will have made reparations to over 1 million conflict victims and the Colombia Reintegration Agency (or its successor) will be successfully managing the reintegration into civil society and productive activity of over 9,500[19] ex-combatants plus their families and support personnel;

- Colombia's Land Restitution Unit will have put in place the appropriate systems and procedures to have enabled it to resolve the land restitution claims of 50% of the estimated 360,000 eligible households. Land titles will have been issued for 200,000 rural families;

- Public investment by national and local government in infrastructure and basic services will triple in approximately 100 municipalities most affected by the conflict;

- Approximately $150 million in new private sector investment in conflict areas will result in an a significant increase in agricultural sales;

- A declining trend in human rights violations following the first 24 months of a signed peace agreement.;

- Gender equality between men and women will be improved with diminished rates of gender based violence and more equitable access to resources, land, and income-generating opportunities.

- Colombia will be on the brink of accession to the OECD, meaning a 21st century institutional modernization effort, and corresponding improved governance nationwide,

[19] Includes ACR estimates for FARC and ELN combatants. Does not include support personnel or family members.

will be well underway.

- Colombia will no longer require significant donor assistance and will have transitioned from aid recipient to a provider of technical assistance to neighbors in the region.

C. From Consolidation to Peace and Reconstruction

In 2007, USAID began support for nascent GOC consolidation efforts. This USAID support involved supporting the GOC with direct delivery of rapid impact projects in "consolidation zones" -- zones where security improvements had created an opening for greater civilian presence. By 2013, USAID efforts grew to include nearly 1,200 activities in 40 of the 53 designated "consolidation municipalities" that mobilized $1.2 billion in GOC investment in this historically neglected areas. This CDCS marks a shift from past efforts at consolidation towards new initiatives in peace and reconstruction. But the fundamental challenge facing Colombia remains the same: building state presence in historically marginalized rural areas.

Thus, this CDCS will support a broader set of GOC-lead initiatives aimed at building state presence, a culture of legality, and democratic citizenship in traditionally marginalized rural areas. The GOC is already employing a number of tools that signify a much greater commitment to public investment in rural areas, such as billions of dollars in royalties from natural resource exploitation, pooled local and national resources to fund regional development plans ("Contratos Plans"), and growing private sector investment. With or without a peace agreement, USAID/Colombia will devote this CDCS period to building the capacity of Colombian institutions charged with developing and implementing the GOC's medium to longer-term initiatives that support peace and reconstruction.

Furthermore, with or without a GOC-FARC agreement, coca cultivation and drug production will continue to be a challenge for Colombia and the international community. Investments under this CDCS, particularly those related to DOs 1, 3, and 4, will help create the conditions for alternative livelihoods and legal behaviors, contributing to broader USG and Colombian efforts to address narco-trafficking. Support to agricultural value chains will continue to create alternative livelihoods for small producers in areas vulnerable to coca cultivation and drug production. The Mission has had significant success developing the cacao, specialty coffee, rubber and dairy sectors in former coca growing areas. Through this CDCS, we will continue such investments and contribute to the achievement of bilateral counter narcotics objectives.

D. Results Framework (RF) Presentation of USAID Programs

An overview RF graphic is presented in Annex A. Narratives of each DO and their corresponding IRs and sub-IRs are provided in the following sections.

DO1: Effective presence of democratic institutions and processes in targeted areas

The GOC has unsuccessfully undertaken numerous efforts since 1958 to exercise control over many parts of national territory and expand its presence.[20] The absence of effective state institutions in many parts of Colombian territory has fueled the long running conflict. In many of these areas, governance has been undemocratic, imposed by force of illegal arms, and often financed by illicit sources. Weak GOC institutions have been unable to deliver key services, guarantee human rights, provide access to justice, and invest public resources effectively. Strengthening the capacity of municipal governments, as well as national-level institutions that function at the local level, is essential for successful transition out of conflict and implementation of an eventual peace agreement.

USAID will improve the capacity of local governments to deliver key municipal services. Toward this end, USAID will work with local civil society organizations and governments to strengthen the ability of local governments to mobilize investment resources, better respond to public priorities, and formulate and implement plans for the delivery of services and infrastructure. In the event of a peace agreement, this assistance will be particularly robust and will also include support for civil society to enable broad participation in the implementation of peace initiatives. Moreover, USAID will support national and local authorities, as well as civil society organizations to reduce corruption through greater transparency and accountability. Doing this quickly, in areas exiting conflict, will be particularly important in the event of a peace agreement, to build legitimacy for peace and avoid backsliding to conflict. USAID may also provide support to develop and launch new GOC institutional mechanisms to implement any GOC-FARC agreements.

Additionally, USAID will promote human rights by supporting the ability of local institutions, organizations, and officials – including mayors, human rights ombudsmen, officials working for national institutions at the local level, civil society organizations, and law enforcement officials – to prevent and respond to human rights violations. This work will be done in close coordination with the U.S. Department of Justice and its programs aimed at improving law enforcement and the justice system. This will include support for the investigation of human rights violations, implementation of the Victims' Law and the early warning system, which provides notice of impending violations to authorities. Finally, USAID will strengthen the ability of local institutions, including national-level institutions working at the local level, to provide greater access to justice to resolve conflicts, particularly as they relate to gender-based violence. In this context, USAID will also support local justice committees, grassroots organizations and justice houses to provide an array of conflict resolution services. The following IRs and sub-IRs support the achievement of DO1:

IR 1.1: Citizen-prioritized services more effectively delivered

USAID will improve the ability of municipal and regional governments to access Colombian resources and deliver basic services, as per the priorities expressed by local constituents. This

[20] *Tras 55 Anos de Intentos de Llevar el Estado a las Regiones en Conflicto, Que Deberiamos Preguntarnos?*, Claudia Lopez.

will be vital to improving citizen confidence in the state in conflictive areas where citizens currently rate local community organizations – by margins of around 40% – as more capable of managing projects than public entities.[21]

Peace Considerations: If a GOC-FARC agreement is achieved, USAID may expand its work to territories that are critical to the implementation of the agreement. "Quick wins" in these areas will show GOC responsiveness and build the legitimacy of an agreement. If a GOC-FARC agreement is not reached, USAID anticipates continuing to support GOC municipalities included in the National Territorial Consolidation Program. In addition, whether or not there is a peace agreement, programs will continue to support municipal level anti-corruption activities and implementation of national reforms that promote good governance at the municipal level.

Sub-IR 1.1.1: Increased capacity of municipal governments to deliver services
Rural communities, particularly historically conflict-prone municipalities where USAID focuses, suffer disproportionately from the effects of limited state presence and poor service delivery. For example, potable water coverage in consolidation regions is 39%, compared with a 72% average in non-consolidation rural areas and 98% in urban areas. USAID will support municipalities in their efforts to develop improved, more efficient and more transparent planning, financial management, project solicitation, implementation capabilities, to include tapping into and executing Colombia's significant royalties resources and other inter-governmental transfer mechanisms. Notably, real improvement will require policy and institutional reforms at higher levels of government, and such national level changes will be required for Colombia's OECD accession.[22] Simplifying overly complex procedures governing fiscal transfers from Bogota to municipal governments will help municipalities speed their implementation of local projects. Increasing own-source revenue for local governments will be an important component of this support.

Sub-IR 1.1.2: Increased government capacity to limit corruption at the local level
Corruption at the local level is pervasive and is a primary constraint to effective state presence that responds to citizen needs. USAID will work with national and local level counterpart institutions to reduce the likelihood that corrupt local officials, allied with illegal armed actors and others engaged in unlawful activity, will embezzle municipal resources.[23] In part, support will help the GOC address the widespread links between candidates for local office and illegal armed actors; in a 2011 USAID-supported study, a

[21] In conflict affected regions, approximately 70% of people state they trust the President of the local community organization *(Juntas de Accion Comunal)* as capable of managing projects to benefit their area of influence, as compared to 50%, who trust their Mayor to do so. USAID CSDI Baseline Report, 2013, Volume 2, p. 47.
[22] See *Colombia: Another 100 Years of Solitude?*, James Robinson, 2013, which suggests that good governance at the local level depends on the reordering of the relationship between Bogota and the regions.
[23] See *Cutting the Links Between Crime and Local Politics: Colombia's 2011 Elections*, International Crisis Group, 2011. This report details the history and nature of corruption at the local level and recommends strategies that the GOC could implement to address it. See also *The Elections and Political Processes (EPP) Program in Colombia, 2007-2012, International Resources Group, 2012*. This evaluation of USAID/Colombia's EPP programming provided a series of recommendations for helping the GOC limit the links between candidates and illegal armed groups or other actors engaged in unlawful activity.

reputable local non-governmental organization uncovered 106 candidates in 83 municipalities with links to illegal armed actors, of which 33% were subsequently elected to office. New forms of political participation likely to emerge from GOC-FARC negotiations could further these kinds of undemocratic practices whereby illegal armed groups use weapons and drug money to coerce citizens toward their political objectives. USAID support to bring transparency and accountability to local democratic processes will help ensure these are not coopted.

IR 1.2: Increased citizen participation in democratic processes and governance

Citizen participation in historically conflictive zones has been diminished by the violence. In consolidation zones the average social capital index never exceeded 30 on a scale of 1-100, demonstrating weak social cohesion and limited likelihood for positive collective action.[24] An active civil society plays a crucial role in reconstructing social cohesion and helping ensure governments do their job, whether through facilitating the work of the government or monitoring performance. USAID will reinforce civic participation through robust civil society building activities that contribute to sustainable change in government performance. Such participation and oversight will build legitimacy and momentum for peace implementation.

Peace Considerations: In the event of a GOC-FARC agreement, USAID may expand its support for the improved delivery of basic services to historically neglected areas. To the extent USAID does this, it will complement this work with greater support for civil society to enable broad participation in sub-national governance and implementation of peace initiatives. Should there be no agreement, USAID will not provide this assistance. However, support for a range of other civil society organizations for monitoring and oversight, such as assistance to strengthen citizens' groups' capacity to engage in anti-corruption activities, will continue.

Sub-IR 1.2.1: Greater involvement of civil society in budgeting, planning and execution of projects at the sub-national governance level

To achieve this objective, USAID will work with citizen groups, associations, alliances, and community service organizations in conflict zones to enable them to collectively request services from, and democratically engage with, their local and regional governments. Civil society's ability to constructively articulate needs and raise concerns will contribute to improvements in sub-national government performance, and create conditions that help mitigate conflict and improve implementation of peace initiatives. The organizations and associations supported will be able to share in decision-making with their municipal and regional governments regarding local public investment. USAID resources will help communities take advantage of new opportunities for participation and leverage greater GOC public investments.

[24] The social capital index includes two core concepts: 'bridging'(participation) and 'bonding' (trust). Its maximum score is 100. Bridging social capital is measured by the degree of participation in organizations at different levels: 1.Interests groups; 2. Producers and farmers; 3. Political parties; 4. Juntas de Acción Comunal (JAC) and Communitarian organizations, and; 5. Veedurias. Its maximum score is 60. Bonding social capital is measured by the degree of trust at different levels: family, friends and neighbors, JAC, justices and control institutions, development institutions, municipal institutions, army and national government. Its maximum score is 40. Indicator reference sheet, Performance Monitoring Plan for USAID DO1, August 2013, p.59.

Sub-IR 1.2.2: Greater monitoring and oversight of sub-national governments by civil society

USAID will strengthen civil society organizations to monitor sub-national government programs and the implementation of national initiatives at the local level. Organizations will also be strengthened to advocate for heightened national government willingness and capacity to provide this monitoring and oversight. This reflects the notion that sustainable change requires constructive and democratic citizen engagement to shape and influence the performance of sub-national governments.[25] USAID support will focus particularly on organizations at the local level that engage in anti-corruption activities.

IR 1.3: Improved administration of justice and protection of human rights

For sub-national governments to be effective and have the legitimacy that accompanies effectiveness, they must be able to protect the collective and individual rights of their citizens. These collective rights, political and civil in nature, are based on human rights guarantees. Individual rights involve a person's ability to obtain redress – whether through a formal justice system or alternative dispute resolution – for violations committed against the individual.

Peace Considerations: If a GOC-FARC agreement is reached there will be a need to expand access to justice in contested and historically disadvantaged areas and provide support to the GOC in implementing its transitional justice framework. If an agreement is not reached, current activities will be completed before the end of this CDCS and no additional support will be provided. Similarly, if a GOC-FARC agreement is reached, human rights programming is expected to expand due to increased human rights violations, violence and threats perpetrated by those who oppose reconciliation with the FARC and/or the strengthening of property rights for historically disadvantaged groups. In the absence of an agreement, USAID does not envision continuing human rights programs beyond the period covered by the CDCS.

Sub-IR 1.3.1: Increased access to justice

The ability of the state to help resolve individual grievances of citizens, whether through the formal justice system or alternative dispute resolution mechanisms, is a crucial service of sub-national governments that increases the legitimacy of the state and strengthens the social fabric of communities. Currently the GOC provides limited services in consolidation regions – an average of less than 6% of citizens surveyed across consolidation regions seek help from the formal justice system to resolve a dispute. Furthermore, less than 10% of users of justice houses in consolidation areas are from rural areas, demonstrating the limited reach of current justice houses. Consistent with recommendations from several assessments and evaluations, USAID will continue to support access to justice, especially in priority locations. This consists of helping the government increase access to both the formal justice system and alternative dispute resolution mechanisms by supporting local justice committees comprised of all justice sector actors at the municipal level; promoting greater awareness of citizens' legal rights and remedies, especially with issues dealing with gender equity; helping to strengthen

[25] *Cutting the Links Between Crime and Local Politics: Colombia's 2011 Elections*, which calls for greater support for civil society participation as a way of curbing corruption at the local level.

the Public Defender's Office; and providing support to justice houses and alternative dispute resolution provides at the local level.[26]

Sub-IR 1.3.2: Increased capacity to prevent and respond to human rights violations
Out of Colombia's 220,000 deaths throughout the 50-year conflict, 80% were civilians, of which 90% were selective assassinations. While kidnappings and massacres are what often reach the headlines, these figures demonstrate a low-intensive yet sustained trend of armed groups targeting individual civilians, particularly in rural areas.[27] Changing these trends and ensuring that local leaders can participate in bringing change to the regions without fear of being targeted will be key in the implementation of GOC policies, such as the Victims and Restitution Law, as well as any initiatives that arise out of a peace agreement. USAID will strengthen a culture of respect for human rights through activities that: prevent violations (e.g. via support for the National Ombudsman's Early Warning System), protect those under threat (e.g. Ministry of Interior's National Protection Unit), investigate when abuses occur (e.g. Attorney General's Office), strengthen the ability of citizens to submit complaints (e.g. Ombudsman's Office), and defend the rights of minority groups through civil society and government institutions that work to prevent and respond to human rights violations committed against vulnerable populations, particularly at the regional and local levels.

DO2: Reconciliation advanced among victims, ex-combatants and other citizens

The conflict in Colombia has left in its wake some six million victims (of which almost five million were displaced from their homes), 220,000 Colombians killed, and some 400,000 Colombian refugees living in neighboring countries.[28] In addition, there are currently some 8,000 FARC combatants that need to be reintegrated into society, that figure rising to over 30,000 when including their family members and support networks.[29] The GOC's response aimed at beginning reconciliation efforts was the passage and initial implementation of the Victims and Land Restitution Law. The Victims Law's aims to address the rights and restore the dignity of conflict victims through comprehensive reparations, justice for perpetrators, and truth-telling to document the experience of the conflict.

Women and other minority groups have been disproportionately affected by the conflict and

[26] This approach is supported by evaluations and assessments of rule of law challenges and programming. For instance, *Barriers to Justice in Consolidation Zones*, Management Sciences for Development, 2011, identified a series of obstacles to accessing the formal justice system that citizens have at the local level and suggested programmatic interventions. A diagnostic called *Access to Justice Obstacles for Women Victims of Sexual Violence in Colombia*, Sisma Mujer, 2011, detailed the obstacles to justice with which women in the regions have to contend and provided recommendations for addressing them. The *Assessment and Impact Evaluation of Colombia Justice House Program*, Management Sciences for Development, 2012, highlighted the success of the Justice House Program, but also raised concerns about its sustainability by local governments under the current paradigm imposed by the Ministry of Justice and suggested ways to address it. Similarly, the *Assessment of USAID/Colombia's Justice Reform and Modernization Program*, Management Systems International, 2010, cited unresolved sustainability challenges for the program and suggested how to overcome them. Finally, the *Diagnostic of Community-Based Alternative Dispute Resolution,* Management Sciences for Development, 2012, provided several key recommendations focused on promoting the sustainability of alternative dispute resolution mechanisms at the local level.
[27] Center for Historical Memory Report, Basta Ya!, 2013.
[28] Center for Historical Memory Report, Basta Ya p.32, 2013
[29] USAID/Colombia Disarmament, Demobilization and Reintegration (DDR) Evaluation, 2013

will need specialized support. For example, it has been estimated that almost two million of the displaced are women, 37% of all land claims before the Land Restitution Unit are from women -- of which, 65% are heads of households, and nearly 400,000 women have suffered from sexual violence in the last decade.[30] Further, it is estimated that close to 35% of the internally displaced population are Afro-Colombian or indigenous.[31] As of August 2013, 445,000 Colombians had filed claims with the justice system under the *Justice and Peace Law* as victims of major conflict crimes, which include murder of a relative, sexually based violent crimes, kidnapping, forced recruitment and landmine injuries.[32]

USAID will help build the capacity of Colombian institutions to meet the needs of victims, demobilize ex-combatants, and seek reconciliation. In particular, USAID will:

- Strengthen the Victims Unit's capacity to support victims by providing access to basic services, psycho-social attention, economic opportunities, and reparations.
- Strengthen the Colombian Reintegration Agency (and any other post-peace agreement successor agency) and the Family Welfare Institute to reintegrate former combatants and rehabilitate child soldiers.
- Strengthen the Center for Historical Memory and its affiliated local organizations to promote truth-telling and national reconciliation by documenting the scope and human impact of the conflict.

The following IRs and sub-IRs support the achievement of DO2:

IR 2.1: Improved reparations and services provided to conflict victims
Effective implementation of the Victims Law is essential to short-term and sustainable peace. USAID efforts under this IR will support the development of institutions that play important roles in its implementation so as to facilitate the efficient and equitable delivery of services to citizens. To achieve each sub-IR, USAID will support efforts to ensure that services reach citizens to establish a foundation for reconciliation and the possibility of a sustainable peace.

Peace Considerations: If a GOC-FARC agreement is reached, the scale of this IR will likely expand to help GOC institutions accelerate reparations efforts. For example, there would likely be a large increase of citizens registering under the Victims Law, raised expectations among citizens for results, and a likely influx of a significant portion of Colombia's 400,000 refugees. If an agreement is not reached, the results may be more modest, but USAID will continue to support implementation of the Victims Law.

Sub-IR 2.1.1: Improved operational capacity of key GOC entities to provide services to victims
USAID will strengthen Colombian entities that provide support to conflict victims and

[30] http://www.unidadvictimas.gov.co/index.php/component/search/vicitmasregistradas - Red Nacional de Información
[31] United Nations – Economic and Social Council: El Racismo, La Discriminacion, La Xenofobia Y Todas Las Formas de Discriminacion, 2004, http://www.acnur.org/biblioteca/pdf/3183.pdf
[32] Matrix generated on Colombian Attorney General (Fiscalia) website.

other marginalized groups, including the Victim's Unit, the Ministry of Health, the Ministry of the Interior, the Center for Historical Memory, and select departmental and municipal institutions and civil society organizations. To be prioritized are: a) the GOC's strategic management of the implementation of the Victims and Land Restitution Law, b) the psychosocial and physical rehabilitation services provided by the GOC, c) transitional justice processes, such as reparations, d) services and reparations to victims in a way that addresses the specific needs of ethnic minorities and women, and e) implementation of policies sensitive to ethnic communities.

Sub-IR 2.1.2: Improved capacity of victims and victims' organizations for oversight of service provision to victims

Notably linked to IR1.2 – *Increased citizen participation in democratic processes and governance* – and consistent with the Victims and Land Restitutions Law, USAID will support the development of formal victims organizations and informal victims groups so they are equipped to effectively address victims' issues. These organizations will provide advocacy services for victims, develop networks and alliances around common themes, and engage victims and public entities in the implementation and oversight of the Victims Law to ensure participation and access to accurate and timely information.

Sub-IR 2.1.3: Specialized programs implemented to aid marginalized groups, including Afro-Colombians and indigenous

Colombia's victims extend far beyond those who formally register as such. All citizens have been affected in some form however marginalized groups have been disproportionately impacted and have an even greater need for assistance. These groups, especially those of African and indigenous descent who represent approximately one quarter of Colombia's population, are not necessarily defined as victims under the Law. However, they have suffered greatly from targeted recruitment of their youth by illegal armed actors, displacement from and loss of traditional lands, limited access to basic services, and restricted political representation. In 2009, for example, Colombia's Constitutional Court stated that close 40% (or 34 out of 87) of the country's indigenous communities were at brink of becoming extinct because of the consequences of the armed conflict.[33] Any decisions that may stem from a peace agreement will likely have implications for these specific communities and their territories, and therefore efforts to achieve a sustainable peace must engage and involve these historically abandoned communities.

IR 2.2: Demobilized combatants reintegrated into society

Over the 50-year conflict thousands of Colombians have taken up arms in various guerilla and paramilitary groups. In the absence of an effective reintegration of demobilized fighters and former child soldiers, Colombia runs a high risk of these individuals being recruited into other criminal gangs that perpetuate violence and corruption. USAID support to the Colombian Agency for Reintegration (ACR) will continue to strengthen the institutional process for the reintegration of adult ex-combatants, to include: the provision of services including psycho-

[33] Corte Constitucional, Auto 004 de 2009, http://www.corteconstitucional.gov.co/relatoria/autos/2009/a004-09.htm

social, health and education; support in finding employment opportunities; and the attainment of legal status under the Law for Legal Status for Ex-Combatants. Approximately 26,000 demobilized ex-combatants from previous demobilization efforts are currently participating in this program.[34] In addition, USAID will continue to support the Colombian Institute for Family Welfare (ICBF) in the development of a robust system for rehabilitating and reintegrating former child soldiers.

Peace Considerations: The reintegration of former combatants will become a major challenge in the event of a GOC-FARC agreement due to a rapid increase in the number of demobilized ex-combatants and the additional pressure to integrate them quickly into society. It is expected that approximately 8,000 uniformed FARC combatants would need to be reintegrated under a peace scenario, with that figure likely reaching over 30,000 when including their family members and support networks.[35] Based on statistics of previous FARC deserters, women and children would have a special focus within this population. While there are no reliable statistics on the composition of the FARC, some estimates have indicated that a significant percentage of those who would demobilize under a peace scenario would be women (21%)[36] and youth (20%-40%).[37] Furthermore, it is not clear whether an institutional overhaul would be required to create new institutions specifically for those who lay down their arms after the signing of a peace agreement. If an agreement is not reached, USAID's reintegration activities will end in 2015 and support for this IR would be discontinued.

Sub-IR 2.2.1: Improved capacity of GOC institutions to effectively manage the reintegration of adult ex-combatants

Reintegration of former combatants is critical to reconciliation and preventing the expansion of other illegally armed groups. USAID supports the GOC's reintegration efforts by strengthening key institutions such as ACR. Technical assistance will increase GOC capacity to address challenges that currently obstruct successful reintegration for this population, such as high murder rates, recidivism, low employability and social stigmatization, including the need for a differentiated approach for women and girls.

Sub-IR 2.2.2: Improved capacity of GOC institutions to ensure the reintegration of child soldiers and at-risk youth

Disengagement and reintegration of child soldiers and at-risk youth present unique challenges for the GOC. While many of the services needed by adults are also needed by youth, the challenges that children face during reintegration are more acute. They face serious psychological, educational and socialization gaps, particularly when recruited at a very young age. USAID will deepen technical assistance to the ICBF and strengthen civil society's capacity to respond to children's basic needs (health, education, a stable family environment, security, etc.) through reintegration processes

[34] Figures from Colombian Agency for Reintegration
[35] USAID/Colombia Disarmament, Demobilization and Reintegration (DDR) Evaluation, 2013
[36] ACR estimate based on demobilized FARC through data collected in the Tracking, Monitoring and Evaluation System (TMES)
[37] Springer, Natalia, "Como corderos entre lobos: Del uso y reclutamiento de niñas, niños y adolescentes en el marco del conflicto armado y la criminalidad en Colombia." Bogotá, Springer Counseling Services 2012 (courtesy of IOM). According to Springer, 42% of the current FARC are minors.

that also further prevent recruitment into other illegal groups.

IR 2.3: Truth-telling processes effectively launched

Colombia's 50-year conflict has left 220,000 dead and almost five million displaced. The role of truth has many forms in bringing reconciliation: through truth-telling of reintegrated ex-combatants in the context of transitional justice and ensuring that victims know what has happened to their missing family members; by clarifying the facts and telling the story of victims and what they have endured; and by using this information in a way to educate the public, combat indifference, and strengthen the national conscience to prevent a return to violence. USAID will continue to support the Center for Historical Memory and its efforts to analyze conflict events and communicate findings to the Colombian public. Based on experience in other post-conflict countries, USAID can also support the design of a structure and process for a Colombian truth commission, should Colombia decide one is needed.

Peace Considerations: If a GOC-FARC agreement is reached, these efforts will be all the more critical to helping Colombia transition out of conflict and will be an area of expanded USAID support. If an agreement is not reached, this sub-IR would continue to support the Center for Historical Memory in its efforts to work toward peace building through 2015.

Sub-IR 2.3.1: Improved capacity of the GOC and civil society to ensure that truth and reconciliation processes reach citizens at the local levels

Peace building can be a highly politicized process in which conflicting visions of the past can shape or hinder reconciliation. Nevertheless, the GOC must ensure that these processes reach citizens at the local levels and gain their support for reconciliation to be realized. USAID will continue to support the GOC and civil society actors in: developing communication strategies that effectively inform society of transitional justice efforts; expanding social and psychological counseling; improving truth-telling initiatives; developing methods of addressing issues related to stigmatization of displaced people and ex-combatants; and fostering dialogue that enables victims and perpetrators of crimes to forge a common and more peaceful vision for the future.

Sub-IR 2.3.2: Improved capacity of the Center for Historical Memory to document experiences and build awareness of citizens of the conflict

Support for the work of the Center for Historical Memory at a more macro level will advance reconciliation by publicizing and disseminating its findings and lessons learned, which will be critical to building a consistent and common understanding of the past throughout Colombia and a foundation for a new and more peaceful future. This work will include increasing society's knowledge of the conflict and encouraging acceptance of victims, ex-combatants, and other marginalized populations into society and the political process.[38]

[38] Note: Sub-IR 2.3.1 and 2.3.2 will operate independently but are inherently linked in supporting sustainable peace. Sub-IR 2.3.1 will focus on reconciliation initiatives at the local level while 2.3.2 addresses a broader, state-wide focus to ensure accuracy and consistency in the historical memory nation-wide.

DO3: Improved Conditions for Inclusive Rural Economic Growth

Colombia's conflict has devastated the rural sector and marginalized generations of its citizens from the economic growth and development experienced elsewhere in the country and throughout Latin America. Only when the Colombian rural sector is on a sound path of robust inclusive growth will the country be able to move from conflict to peace and stability.[39] Income disparity in Colombia is acutely evident in the rural areas most affected by the conflict. Although overall poverty in Colombia fell from 45% to 33% between 2005 and 2012 and among urban households it fell from 32% to 19%, poverty continues to affect nearly 50% of rural households.[40] USAID will focus on reducing this economic disparity by supporting Colombian efforts to improve rural livelihoods, particularly for women and ethnic minorities who are disproportionately impoverished. The goal is for Colombians living in historically neglected areas to have licit economic opportunities that provide them with a path out of poverty and a means of avoiding the trap of illicit crops. This will be critical for ex-combatants and displaced victims who return to their lands, and for those who remained on their lands yet suffered greatly from the effects of the conflict. Efforts will focus on building a robust and more diverse rural economy that has secure land rights, connectivity, infrastructure, private investment, access to financial services and strong market linkages. Partnerships with private firms, to link small producers to domestic and global supply chains, will continue to be an essential element of USAID's approach. The following IRs and sub-IRs support the achievement of DO3:

IR 3.1: More equitable and secure land tenure

The struggle over land has been one of the primary root causes of Colombia's prolonged conflict.[41] The highly concentrated rural land ownership is a dominant contributing factor.[42] Of the 2.4 million rural properties, only 57,000 (or 2%) are larger than 200 hectares (HA). Approximately 87% of farms are 20 HA or less, yet these properties occupy less than a third of rural properties. The pervasiveness of informal land ownership and the lack of full legal protection of land rights are formidable obstacles to private investment in these regions. An estimated 40% of rural land plots remain without titles. Such informality distorts the land market and discourages long-term investment. Providing secure access to land will be critical to developing the rural economy and stabilizing conflict areas.

<u>Peace Considerations</u>: If a GOC-FARC agreement is reached, the GOC will need to expand formal land ownership to areas most affected by conflict. USAID will provide significant support for this objective under either scenario, however in the case of an agreement may expand programming. In addition, the GOC's Restitution Unit would need to rapidly expand its operations and increase issuance of land titles. In turn, this will require an acceleration of USAID's support for land restitution. If an agreement is not reached, results under this IR will be less substantial since the security environment would limit opportunities for land titling and resettlement would be modest.

[39] UNDP, *Understanding Social Conflict in Latin America,* 2013
[40] Departamento Administrativo Nacional de Estadististicas (DANE), Bogota, 2013
[41] Center for Historical Memory Report, Basta Ya p. 21, 2013
[42] OXFAM, "Divide and Purchase: How Land Ownership is Being Concentrated in Colombia", p.3, Sept 2013.

Sub-IR 3.1.1: Land restituted to displaced victims of conflict

Over the many decades of the conflict, approximately five million Colombians have been displaced from their homes and communities, particularly for abandoned women and widows who are considered easier targets of forced displacement.[43] A critical element of sustainable peace is restituting the victims of the conflict and providing them with economic opportunities to make a decent living. To that end, the GOC has set an ambitious 10-year target of providing land reparations to 360,000 families, of which 270,000 be restituted with new land titles. USAID will work to strengthen the capacity of GOC entities responsible for implementing this initiative and also help ensure that, once restituted, these households receive support to make the land productive.

Sub-IR 3.1.2: More rural smallholders with formal land title

Weak protection of land rights has both made massive displacement possible and contributed to a depressed rural economy. High levels of informal land tenure have led to distortions in the rural land market, reduced investment, reinforced majority male-dominated land rights, and facilitated inefficient land use patterns. Market values remain depressed, and untitled rural properties are more likely targets of forced displacement.[44] USAID will support GOC institutions charged with formalizing land titles to achieve their ambitious ten-year targets of issuing legal title to 500,000 rural families covering four million hectares.

IR 3.2: Increased public and private investment in the rural sector

In 2011, the agricultural sector attracted less than 2% of total foreign direct investment in Colombia.[45] A sustainable rural economy requires the robust private sector participation in both farm and non-farm activities. Further constraining growth is limited productive infrastructure, which in terms of coverage and quality is rated as among the worst in the region.[46] Building a competitive rural sector in Colombia will be predicated upon mobilizing public investment to expand and modernize its rural transport and productive infrastructure. A GOC-FARC agreement will open up areas formerly closed off by conflict, creating new opportunities for rural investment.

Peace Considerations: If a GOC-FARC agreement is reached the security environment should expand and be propitious for the required investment to occur. Funding and building economic infrastructure – including roads, irrigation and telecommunications networks – will be critical to the economic revitalization of historically disadvantaged areas and in creating enterprises and employment opportunities. The GOC is already mobilizing resources that will help increase investment, particularly in rural areas, and USAID's support would increase the efficacy of these investments. If an agreement is not reached, the security conditions in targeted geographic

[43] CODHES, the Consultancy for Human Rights and Displacement, http://www.internal-displacement.org/idmc/website/countries.nsf/(httpEnvelopes)/A7E1B7BD7528B329C12575E500525165?OpenDocument#expand

[44] Ibanez, Dr. Ana Maria, Universidad de Los Andes, Bogota, 2013

[45] Banco de la Republica

[46] Yepes, Tito. *Infrastructura de Transporte en Colombia*, Fedesarrollo Cuaderno No. 46, Bogotá, Julio 2013

areas will remain unfavorable to large scale investment and infrastructure development. Results in this area would therefore be more modest.

Sub-IR 3.2.1: Strengthened local governments' capacity to access and manage public funds for productive infrastructure

USAID will support the design and development of public works projects focused on economic infrastructure in rural areas – such as roads, irrigation systems, and electricity – in order to connect rural communities with markets. Poor infrastructure has been identified as a major obstacle for sustainable economic growth in the rural sector.[47] USAID will facilitate the flow of public money towards this end however will not directly finance projects. This will be achieved by supporting the development of public-private partnerships and helping local government planning in order to access royalties and other inter-governmental fiscal transfers, which constitute substantial public resource that can be harnessed for rural growth. Notably, the GOC collected over $5 billion in royalties 2012, which is primarily set aside for infrastructure.[48] Royalties resources for local development during this CDCS are expected to reach $50 billion.

Sub-IR 3.2.2: Increased private sector investment in target rural communities

The private sector has a critical role to play in expanding opportunities in rural territories, and USAID has a long history of engagement with the sector – see Annex B on the evolution of USAID's private sector engagement. USAID will continue to leverage private sector investment in targeted communities through a variety of means to reduce their costs and risks for doing business. USAID will support co-share in insurance premiums, use Development Credit Authority mechanisms, provide local workforce training in skills required for planned investment, and other tools to attract private sector investment by mitigating risk. In addition, access to financial services for rural producers will be critical for sustainable and equitable economic growth in these regions. In 2009, despite the fact that 66% of Colombian farmers were smallholders,[49] large and medium-sized farmers received 78% of farm credit.[50] USAID will support activities in banking, microfinance, micro-insurance and mobile money to expand to finance in rural areas. E-money and mobile money instruments will reduce delivery costs and inequality of access, while making financial services more accessible to all. As a result, target populations, including ethnic communities and women heads of households, will be better integrated into the formal sector.

IR 3.3: More effective producer associations benefitting smallholder farmers

Farmer producer associations in conflict zones are weak or non-existent, and most farming is done by smallholders with little support. As individual farmers, they neither possess the market power needed to influence policies that affect them, nor do they benefit from economies of scale in their engagement with the marketplace. Furthermore, they have little capacity to tap

[47] Montenegro, Santiago, Colombia's Infrastructure Challenges", Center for Hemispheric Policy, University of Miami, 2013
[48] El Tiempo, April 9, 2013, "Colombia Alcanzo Cifra Record en Materia de Regalias", page 1.
[49] Berdegue, Julio and Fuentealba, Ricardo, *Latin America-The State of Smallholders*, IFAD, Rome, 2011
[50] Fondo para el Financiamiento del Sector Agropecuario (FINAGRO), Bogota, 2010

into the existing government programs which extend credit, technical assistance and other support. USAID will strengthen producer associations so rural producers can come together and take an active role is shaping their collective pathways out of poverty by accessing the market opportunities and gaining access to the services and investments they need to increase their productivity and revenues.

Peace Considerations: If a GOC-FARC agreement is reached, current USAID support will continue and there may be a need to expand geographic coverage. If an agreement is not reached, efforts under this IR would not expand.

Sub-IR 3.3.1: Improved institutional capacity of producer associations
USAID will support small farmers and land owners – especially women heads of household – by working to strengthen producer associations and agricultural value chains, and providing business development support. Effective cooperatives and producer associations have long been seen as a catalytic instrument in economic growth in the developing world.[51] The economic benefits of strengthened producer associations include increased farm yields and improved quality of farm products as well as facilitating commercial linkages for smallholders.[52]

Sub-IR 3.3.2: Producer associations providing effective services to members
Strong producer associations will be able to help their members effectively tap into government programs, provide quality technical assistance, increase access to essential productive inputs such as fertilizers and seeds, and define better transaction terms with potential buyers. This sub-IR contributes to an improvement in equitable economic conditions, with a focus on increasing economic opportunities for both men and women rural farmers that contribute to a reduction in rural poverty, which is key to addressing the root causes of conflict.

DO4: Environmental Resiliency and Low-emissions Development Strengthened

Sustainable environmental management is critical to protecting Colombia's economic future. Colombia is one of the most biologically diverse countries in the world, with more than 300 types of ecosystems. The country's natural systems provide water and energy that contribute to economic productivity. For example, 30% of Colombia's water comes from the country's fragile paramo ecosystem. Land use change and associated deforestation are major threats to biodiversity, mainly due to agriculture, illicit crops, mining, and infrastructure. Over-exploitation and poaching of fauna and flora play an important role in reducing the number of species and has resulted in more than 1,500 Colombian species placed on the "Red List" of threatened species worldwide. Based on the 118/119 [53]report, armed conflict, poverty, lack of clarity in land tenure, market demands for agriculture commodities and low institutional capacity are particular threats to biodiversity.

[51] ACDI/VOCA, "Assessment of Producer Organizations and Constraints to the Northern Zone", 2013
[52]Leibovich, Jose and Estrada, Laura, "Diagnostico y recomendaciones de politica para mejorar la competitividad del sector agropecuario colombiano", Consejo Privado de Competividad , Bogota, 2012
[53] Report on Tropical Forests and Biological Diversity, USAID/Colombia, Country Strategy Statement, FY 2010 to 2014

In addition, approximately 40% of Colombia's territory is covered with natural forest, giving the country tremendous capacity to store carbon and capture significant development investment from the nascent carbon market. USAID activities focus on improving natural resource management in vulnerable and significant ecosystems, including forest and watershed management, to reduce threats to biodiversity. USAID efforts strengthen the capacity of GOC institutions to protect biodiversity, foster stakeholder participation in community-based conservation, and introduce best environmental practices, especially for mining, fisheries, and other productive systems.

It is no coincidence that the failure of the Colombian state to control vast swaths of resource-rich Amazonian forest, inter-Andean valleys, and Pacific lowlands has been a driver of conflict. Without the state engaged in sound environmental management, the door is left open for illegal armed groups to exert control in these areas, the majority of which are located in Afro-Colombian and indigenous territories. Improved GOC capacity to administer these biodiversity-rich areas will help ensure that Colombia's natural resources will not be used for illicit purposes, such as illegal actors capturing revenues from illegal gold mining and using these to fund weapons, ammunition and subversive operations.

Colombia's economic future also hinges on reducing vulnerability to changing climate patterns. An example was the 2010-2011 flooding in the Magdalena watershed which displaced approximately two million people and caused $2.6 billion in damage. The impacts of climate change disproportionately affect the poor; most of the housing impacted by climate events directly impact the poorest due to settlement practices in high risk areas and inadequate housing conditions.[54] Climate change is thus a humanitarian issue as well as a threat to long-term equitable growth. USAID therefore assists Colombia in reducing poverty while sustainably managing its natural resources in a way that facilitates a more sustainable and peaceful future. For example, USAID supports GOC efforts to create incentives for firms and public sector entities to reduce their overall level of carbon emissions, while contributing to improved local livelihoods. USAID also helps build resilience to anticipated climate change impacts by diversifying local economies and improving management of water supplies.

Peace Considerations: While a GOC-FARC agreement would open up economic opportunities in rural territories and bring benefits, it would bring added challenges to sustainable natural resource management and response to a changing climate.[55] Possible consequences include irresponsible natural resource management, an unfettered expansion of the agricultural frontier leading to degradation of forests and watersheds, and low capacity at the department level to manage anticipated climate change impacts. GOC commitment to providing and enforcing ecosystem protection and sustainable land use practice would be vital. As security concerns will undoubtedly persist, environmental factors related to climate change, such as

[54] Background adapted from *Plan Nacional de Adaptation al Cambia Climatico:* https://www.dnp.gov.co/LinkClick.aspx?fileticket=CjpadYUKacg%3d&tabid=1539

[55] USAID 2013: Theories and Indicators of Change Briefing Paper, Concepts and Primaers for Conflict Management and Mitigation.

weather related displacement, drought, and flooding, could put vulnerable communities further at risk, placing additional stress on pre-existing conditions leading to instability.[56] USAID efforts will reinforce strong governance, effective state presence, as well as economic opportunities to protect those whose livelihoods depend on the balance of water, forests and biodiversity. Land use and the management of legal, illegal, and informal mining are intimately connected to a sustainable peace and may be scaled up as rural areas become more secure. Likewise, failure to recognize and mediate environmental conflicts through a rational framework would further exacerbate existing tensions, particularly between marginalized rural populations and the state.[57] The following IRs and sub-IRs support the achievement of DO4:

IR4.1: Natural Resources Management Improved

Colombia has identified non-renewable resource extraction as one of the five engines of economic growth under the Santos administration. The underlying environmental disputes associated with non-renewable resource exploitation parallel those of the internal armed conflict and are a major part of the ongoing peace deliberations. Poor management of these conflicts and lack of state presence in planning efforts will work against efforts toward a sustainable peace. Illegal armed groups are present in National Parks as well as the artisanal gold mining sector, while agriculture production is threatened through contamination, land tenure issues, and poor water management. Through work in biodiversity conservation and the informal mining sector, USAID will help mitigate these conflicts in pursuit of a more sustainable peace.

Sub-IR 4.1.1: Legality, rehabilitation, and mercury reduction use in artisanal mining operations improved

Illegal and informal mining is increasingly impacting the environmental, health, and security landscape in Colombia. USAID is in the process of implementing a formalization pilot with success in the Bajo Cauca area of the Department of Antioquia. Located within the consolidation focus municipalities, the work combines the application of state presence, reducing the influence of illegal groups through legalization and formalization, reducing mercury and other environmental contamination, and recuperation of mining sites to productive purposes. This not only serves to focus programming on an important issue, but also addresses important links between environmental concerns, conflict reduction, and sustainable peace.

Sub-IR 4.1.2: Conservation of biodiversity promoted

Under the International Convention on Biological Diversity Colombia is committed to conserve 17% of its critical inland ecosystems (terrestrial and freshwater and 10% of coastal-marine ecosystems by the year 2020. In addition, the current National Development Plan prioritizes the recovery, protection and conservation of Coastal-Marine and Orinoco ecosystems. The original cover of Tropical Dry Forest, an

[56] President Obama's 2013 Climate Action Plan states that, "Failing to prepare adequately for the impacts of climate change… will put millions of people at risk jeopardizing important development gains, and increasing the security risks that stem from climate change." http://www.whitehouse.gov/sites/default/files/image/president27sclimateactionplan.pdf

[57] Interpeace 2010: Do No Harm Conflict Sensitivity and Peace Building

ecosystem highly threatened worldwide, has been considerably reduced in the country, with only 1.5% of original stocks remaining. Under previous analysis, USAID identified and prioritized three ecosystems currently under-represented under the National Protected Area System: (1) Tropical Dry Forests, (2) Marine/Coastal, and (3) Orinoco basin ecosystems. Under current programming, USAID supports Marine/Coastal and Tropical Dry Forest ecosystems. With regard to Orinoco basin ecosystems, USAID will analyze options for interventions and efforts will support productive livelihoods in geographies critical to peace.

4.2: Mitigation of Greenhouse Gases Increased

Colombia is a focal point in international efforts to stem the emissions of global greenhouse gas emissions. With more than 40% of its territory covered in native forest, strong institutional support for market-based emissions reduction programs as well as commitments to international norms, Colombia has strong potential to help curb future climate change. Although Colombia contributes less than 1% of global emissions, the country is a strong part of the global solution.

Sub-IR 4.2.1: Development of Colombian Low Carbon Development Strategy fostered

Colombia was identified by the Office of Management and Budget (OMB) as a high priority performance target for the Presidential Initiative for Global Climate Change (GCC). As part of this designation, Colombia was one of the first countries to implement a series of initiatives including: the USG's Enhanced Capacities for Low Emissions Development (EC-LEDS) program, pilot investments in Reducing Emissions from Deforestation and Degradation (REDD+), the development of Monitoring, Reporting, and Verification (MRV) protocols for greenhouse gas and forest inventories, and investments in clean, efficient, and renewable energy. This comprehensive process not only provides an evidenced-based approach for achieving emissions reductions by 2040, but also provides the political road map for any future climate change mitigation programming in Colombia. These interventions are registered as Nationally Appropriate Mitigation Actions (NAMAs) under the U.N. Framework Convention for Climate Change. Initiatives will include the incorporation of sector-based mitigation plans into Colombia's National Development Plan 2014-2019. USAID will work with the GOC and community partners to implement the plans in five cities and 1 department (each city with a population over 100,000). Additionally, USAID will assist the GOC in the development of at least two national-level NAMAs. Implementation at the local level will be done by combining adaptation and sustainable landscapes funding into a "low carbon resilient development" regime.

Sub-IR 4.2.2: Low emission rural development supported

Inclusive rural development is critical to bringing about a sustainable peace, and is at the forefront of the GOC-FARC negotiations. In addition, the agriculture sector produces the majority of Colombia's green-house gas emissions (33%), most of which comes from land-use conversion (cattle) and application of fertilizers. Working in tandem with the Ministry of Agriculture, USAID will deepen support for development of

Nationally Appropriate Mitigation Actions in the agriculture sector, and is committed to working with Colombia under USAID's Tropical Forest Alliance 2020. These efforts include expanding private financing of forest conservation agreements and the development of sustainable supply chains to increase incomes for small holders.

Sub-IR 4.2.3: Increased access to clean and efficient energy

Forty percent of Colombia's territory is not connected to the national power grid, which limits the productive capacity, communications, and government services in areas most impacted by the conflict. Furthermore, although 70% of grid-connected energy is produced by emissions-free hydroelectric plants, climate models predict a 20% variation in the quantity of water in the future, which could potentially increase reliance on fossil fuel sources. USAID will continue to support the GOC in implementing a strategy that will increase energy efficiency and modernize the national grid as well as increase the deployment of cheaper, more effective renewable energy production into post-conflict, off-grid areas.

IR4.3: Increased resilience to the consequences of a changing climate

Climate Change Adaptation Programming focuses on supporting Colombia's National Adaptation Strategy, with particular focus on increasing the resilience of departments and municipalities to changing climatic conditions. Science, modeling, and vulnerability analyses are critical tools for local authorities to adequately plan and implement measures to build resilience for their affected communities. The next step for the GOC is to "regionalize" the implementation of the National Adaptation Strategy. USAID will continue to support, at the national level, appropriate policy frameworks for climate change, while working directly with a select set of 5 cities and 1 department to operationalize adaptive actions. Adaptation resources will be combined with existing work under EC-LEDS to create a holistic "low carbon resilient development" regime that implements measures in cities, facilitates public and private financial investments to either mitigate or adapt to a changing climate, and build capacity at the local level to appropriate plan for future impacts. These programs will include but are not limited to transportation, energy, waste, water, and housing infrastructure projects.

Sub-IR 4.3.1: Use of forecast technologies, tools, and approaches for building climate change resilience increased

In order to plan and implement appropriate resilience-building measures, it is critical to understand regional vulnerabilities to climate change. USAID will deepen support for the use of tools such as water balance modeling, prioritization of critical infrastructure protection, and the development of resilience plans at the regional level to better prepare Colombia in face of a changing climate. Of particular importance is the development of analytical tools to determine appropriate investments in agriculture and rural development in the coming years, to minimize conflict, and ensure sustainable production regimes.

Sub-IR 4.3.2: Use of ecosystem-based adaptation for decision making at the regional level increased

Following the 2010-2011 floods the GOC established a substantial fund to construct infrastructure that would protect populations and economic infrastructure in the lower basin of the Rio Magdalena. However, these projects did not take into consideration that the majority of the floodwater originated in the upper river basin, the natural capability of associated ecosystems to store water, economic livelihoods derived from the river, nor the variability in water flows due to a changing climate. In order to build resilience to both climate change and associated economic impacts, a holistic view of the watershed must be developed and implemented. Along with other donors, USAID will focus on implementing actions in the Department of Huila (headwaters) and the Departments of Sucre, Cordoba, and Bolivar in lower basin. Actions in these peace geographies will focus on the minimizing the conflict between natural resource users, while maximizing water storage and management potential.

III. Critical Assumptions

The following assumptions are grouped into four categories and outline a set of ideal conditions necessary for the maximum achievement of USAID's DOs. If these conditions fail to hold, they represent risks to the degree of success the program will achieve over the next five years.

<u>GOC will apply resources and political will that supports the country's transition out of conflict</u>:

- There will be policy continuity regarding land, victims, public investment and other leading economic and social reforms.
- The GOC will continue to make available the resources needed to follow through on commitments to transition out of conflict.

<u>Security</u>:

- Conditions will be secure enough to allow for USAID program implementation. The GOC and other USG inter-agency programming will be sufficient to address increased law enforcement demands.

<u>Societal acceptance of the peace accord in the event an agreement is reached</u>:

- Citizens will ratify a GOC-FARC agreement should one be forthcoming.

<u>Resources</u>:

- Adequate funding will be available for CDCS implementation, based on historical and out-year planning levels outlined in the 2015 Congressional Budget Justification.

IV. Gender Analysis and Vulnerable Populations

Specific segments of Colombian society have been disproportionately affected by the conflict. These include displaced persons, women, indigenous and Afro-Colombian communities, youth,

the elderly, LGBTI identified persons, and persons with disabilities. In addition, social relationships in Colombia, including those defined by gender, have been negatively affected by the ongoing conflict. In this context, GOC policy requires a *differentiated approach* to support these marginalized groups, as they are often either unaware of their rights or have encountered barriers to receiving their rights under Colombian law.

The conflict has had a considerable impact on women and children as reflected in basic socio-demographic trends, such as the increased proportion of female-headed households. Women have likewise had restricted access to productive resources, especially property and financial services, which have been accompanied by low levels of labor force participation. In the same way that the impact of conflict on women is shaped by gender roles and their relative subordination, any gender analysis must also take into account how the conflict affects the role of men in the household and the community. Men and boys are more likely than women to have been drawn directly into the fighting, and have had to leave their traditional activities, families and communities. Men displaced from rural communities lose their primary sources of livelihood, e.g., their land and livestock, and their ability to support their families. The psychological, economic, and social impact of the conflict on men is seen as a strong contributing factor the rise in domestic violence and abuse.

In early 2013, USAID Colombia analyzed three areas of programming that would address the broad sources of inequality in Colombia: economic empowerment, gender-based violence, and political participation and decision-making.[58] Recommendations that will be carefully considered in the design of all projects under this CDCS include:

- Support for efforts to facilitate productive projects and promote women's entrepreneurship, rural development, and land ownership rights. This will better empower women economically, which would have positive development and conflict mitigation impacts. Women are key drivers of economic growth and play a positive role in how wealth is distributed by reinvesting a greater portion of income in families and communities. Improving women's access to capital and markets, building women's capacities and skills, and supporting the rise of women leaders – in both the public and private sectors – is vital to mitigating conflict and reducing inequality. Economic empowerment further contributes to a woman's ability to leave violent or abusive relationships.

- Support for expanding gender-sensitive training for prosecutors and the police, such as sensitizing first responders in cases of violence, enhancing measures to curb and respond to violence against women and girls (including domestic violence, sexual and gender-based violence, and trafficking in persons), support to victims of conflict with a differentiated approach, and increased access to justice with a gender focus as women constitute the majority of victims of Colombia's armed conflict will lead to diminished levels of gender based violence. Colombian law 1257 guaranteeing women a life free of

[58] USAID/Colombia Gender Assessment, 2013

violence and Colombia's National Gender Equity Policy both provide the frameworks necessary to foster these outcomes.

- Support for the rise of women leaders in the public sector, particularly at the local and regional levels. According to UN figures, Colombia has one of the lowest levels in Latin America of women's participation in Congress (14%), falling below the regional participation rate of 20%. Despite a quota law that requires 30% of electoral candidates on party lists be women, encouraging women to run for office remains a challenge, as well as supporting them once they are elected.

There are also issues faced by other vulnerable populations such as Afro-Colombians, indigenous groups, disabled persons and LGBTI communities. The definition of the roles of men and women and the relationship between them in Afro-Colombian and indigenous communities are not the same as the dominant "mestizo" culture, and these population encounter different social barriers. Minority men and women, but particularly women, face discrimination and victimization in multiple interwoven aspects related to ethnicity, gender, geographic origin and economic standing. Additionally, Afro-Colombian and indigenous communities are at higher risk for abuse, property theft, and human rights violations while not having adequate means of recourse.[59]

V. Geographic Focus

USAID assistance focuses geographically on areas that have been most affected by the conflict and where there are high concentrations of victims and other especially vulnerable populations, including Afro-Colombians and indigenous groups. USAID will work in areas that have a long history of limited state presence, dearth of licit economic opportunities, and where illegal armed groups, violence, and human rights abuses converge. As these areas pose multi-dimensional challenges, USAID will ensure programs under different DOs, IRs and sub-IRs are geographically aligned so that the economic, social, and institutional strengthening aspects of the portfolio are mutually reinforcing.

VI. Institutional Capacity Strengthening

A critical component of USAID's strategy is supporting Colombian institutions so that they are equipped to effectively implement their own social and economic reforms that transition the country out of conflict. USAID works with several dozen Colombian development partners, both governmental and non-governmental. At the time of the writing of this CDCS, the Mission was conducting an inventory of institutional capacity analyses already completed and had begun initiating plans for additional institutional assessments that would better capture USAID's capacity development assistance. USAID's Human and Institutional Capacity Development Handbook serves as the Mission's primary guide in the design of these

[59] Profamilia 2010. Encuesta Nacional de Demografia y Salud: Capítulo 3, p. 59.

assessments, which will identify gaps and measures of progress to guide technical assistance, serve as a baseline, and enable the Mission to assess the efficacy of institutional strengthening efforts over time. In addition to the holistic inventory of institutional work across the Mission's portfolio, a portfolio-wide set of high-level *Transition Criteria* will be designed and to bring together key institutional capacity indicators and secondary data that will help gauge and determine appropriate scaling down of programs. The Transition Criteria will be periodically reviewed by the Mission, and results and findings will be incorporated into portfolio review and annual reporting processes.

VII. Links to Relevant USAID Policies

A. Presidential initiatives

Global Climate Change Initiative: USAID/Colombia receives earmark funding from the Presidential Initiative on Global Climate Change (GCC) and aligns its programming with the initiative accordingly. The Mission's program includes work in clean energy and energy efficiency, REDD+ programs for sustainable landscapes, and vulnerability analysis to mitigate climate change impacts by supporting efforts to increase resiliency to climate change. The Mission uses science-based evidence to design its GCC programming, and works in consideration of the Mission's peace and stability and economic growth programs to ensure coordination and, as practical, to focus on populations and sectors most vulnerable to the impacts of a changing climate.

B. Gender Equality and Female Empowerment

USAID/Colombia addresses the three objectives under the Gender Equality and Female Empowerment Policy: (1) reduction of gender disparities; (2) reduction of gender-based violence; and (3) increasing in the capabilities of women and girls to realize their rights, determine their life outcomes, and influence decision-making in households, communities, and societies. Programs help reduce gender disparities by working to address barriers and inequities, particularly for minority and vulnerable groups including: Afro-Colombians, indigenous persons, youth and persons with disabilities. Programs also support the equitable distribution of land and access to resources. To further gender-based violence initiatives, USAID programs help establish Victims Assistance Centers in all major cities and raised awareness among women, men, girls and boys on this important issue, and works with strong civil society partners to implement Colombia's law that *guarantees women a life free of violence*. To encourage Colombia's women and girls to realize their full potential, the Mission helped the GOC establish the first Colombian National Gender policy, and will continue to work with the GOC in its implementation. Moreover, as the GOC continues negotiations with the FARC, USAID's strong partnerships with local women's organizations and government entities will help the country *inclusively* implement an agreement should one be reached.

C. Development Response to Violent Extremism and Insurgency policy

USAID/Colombia's CDCS addresses the key components of the Agency's Violent Extremism and Insurgency (VE/I) Policy. Regarding programmatic design, the Mission's consolidation program was formulated based on experience gained in a pilot program to help the Colombian government consolidate its territorial gains against the FARC, and reduce coca cultivation, which is the main source of financing for illegal armed groups. The pilot program contributed to a significant expansion of state presence and an 85% reduction in coca in targeted municipalities. The Mission addresses key aspects of the VE/I policy, including: a focus on the drivers of insurgency (regarding state presence and rural inequities), promoting inclusive ownership (through engagement with public institutions and civil society, particularly those in rural areas), being selective (with a very sharp geographic focus on historically conflictive areas), taking an integrated approach within USAID's own programming and through USG inter-agency coordination, such as the Colombia Strategic Development Initiative (CSDI). Furthermore, the Mission has the capacity to quickly adapt programs to changing circumstances, which will be particularly advantageous in the event of a GOC-FARC agreement.

D. USAID Forward

Local Solutions: Unlike many countries where USAID operates, Colombia has significant resources of its own, as donor resources account for less than .5% of Colombia's annual budget. Furthermore, Colombia has a highly educated and capable workforce leading national and departmental institutions. These two trends limit the degree of direct Government-to-Government (G2G) mechanisms within USAID's portfolio. Against this backdrop, the Mission has laid significant groundwork in exploring the most effective means of advancing Local Solutions (LS) goals. Through USAID implementing partners, intensive institutional strengthening is being provided to Colombian institutions that are critical to the country's transition out of conflict (see section VI on *Institutional Capacity Strengthening*). These efforts align closely with the spirit of the Paris Declaration in building local systems, and will allow for a reduction in the USAID footprint over time. In addition, a significant part of USAID's portfolio will be comprised of direct grants through Colombian civil society organizations (CSOs). These instruments will support local CSOs that are on the front lines in areas critical to the country's transition our of conflict, including issues related to: justice, human rights, good governance, victims issues, and expanding citizen participation in the country's reconstruction the event of a GOC-FARC agreement.

Monitoring and evaluation: During the CDCS period, USAID plans a full set of assessments and performance and impact evaluations to address managerially significant issues related to achievement of all IRs and DOs. In addition, in order to remain forward-looking related to reducing the Mission's programmatic footprint over time, a set of Mission-wide Transition Criteria will be developed and regularly reviewed to inform decision-making (see section VI *Institutional Capacity Strengthening*).

Science, Technology and Innovation: USAID/Colombia climate change programming leverages NASA technologies to estimate carbon content in degraded forests that can then be linked to the international carbon credit markets. Resources from these markets are then used for local socio-economic development initiatives. In the initial year of the CDCS period, this work will be further developed and refined in close collaboration with the Global Development Lab and will serve as USAID/Colombia's "signature effort". This cutting-edge, innovative application of science and technology will aim to be replicated and scaled-up world-wide.

USAID/Colombia supports the application of new technologies to bring greater efficiency and expand the reach of programs, especially in places with limited state presence. Programs expand the use of Mobile Banking, for example, by engaging Colombia's largest banks to increase mobile banking accounts for thousands of producers in remote regions. The Mission also applies GPS technology to help resolve land conflict.

In 2013, USAID's Development Lab selected Colombia as an initial focus country for the Research and Innovation Fellowship program. Through the program, it is expected that dozens of National Science Foundation fellows will be placed in Colombian organizations each year during the CDCS. In 2014, the first group will arrive in Colombia and begin their work in local organizations and universities, contributing to the building of local science and technology capacity.

VIII. Donor Coordination

Although the aggregate of donor assistance is minimal compared to Colombian investments, the GOC greatly values the technical expertise and support of USAID and other donors. Donor assistance accounts for just .5% of GOC's annual budget, yet these modest resources can provide catalytic support that helps the GOC's spend its significant resources.

USAID activity engages with bilateral and multilateral donors, as well as at various levels with the GOC. USAID regularly engages in the Donor Coordination Group (DCG), which examines post-conflict planning and reviews donor technical programs in order to collectively ensure a logical division of labor that avoids duplication. The USAID Mission and the broader DCG engage with the GOC's Agency for International Cooperation (APC), which has overall responsibility for donor coordination in Colombia. Discussions include high level planning related to a possible peace agreement, elaboration of successful programs that can be replicated to other parts of the country, and the sharing of information on technical programs that work directly with line ministries. These efforts will be of particular importance going forward in a post-conflict scenario to ensure engagement and coordination in a rapidly changing environment. USAID also engages with the World Bank and Inter-American Development Bank, which both have large programs that connect closely with Mission programs in support of sub-national government performance.

On the technical front, USAID participates in all thematic donor working groups, including: transitional justice and peace building; human rights and good governance; rural economic development; gender; and environment. Through these forums donors foster technical planning to harmonize the division of labor, share information, identify issues of concern, and engage collectively with the relevant GOC line ministries. Furthermore, USAID programs align with the priorities set out in the GOC's National Development Plan and other key GOC laws, such as the Victims Law, which aim to achieve sustainable peace. USAID technical offices implement the strategic programs outlined in this CDCS in close direct coordination with a core group of GOC institutions at the national, sub-national and municipal levels. USAID meets regularly with these institutions, both at the national and regional levels, and coordinates technical assistance to ensure critical capacity needs are supported.

IX. Public Private Partnerships

The private sector has been the engine of Colombia's growth, which has seen 4.4% annual increases in GDP since 2007.[60] In 2012, Colombia received over $15 billion in foreign direct investment (FDI) and ranked fourth for FDI in Latin America, behind Brazil, Mexico, and Chile. In addition to generating economic growth, companies in Colombia are having an increasing impact on social equities through corporate social responsibility investments, which have grown substantially in recent years and now represent 0.7% of GDP, as compared to only 0.4% for official development assistance.

USAID/Colombia recognizes the importance of the private sector in sustaining economic growth as well as the role it plays in the implementation of a sustainable and inclusive peace. Based on USAID's past decade of experience partnering with businesses, public-private partnerships (PPPs) enhance the competitiveness of private companies while simultaneously advancing the economic conditions of the communities in which they operate. Partnerships can enable businesses to leverage Mission expertise, assets, and working relationships in a manner that advances business success and fosters the broader economic growth and poverty reduction. USAID has long incorporated PPPs into its programming as a tool to advance its development objectives in several key areas, from promoting employment opportunities for vulnerable populations and ex combatants, to reducing narco-trafficking and illicit activity, to promoting sustainable environmental management.

Currently, USAID/Colombia's portfolio includes a wide range of PPPs with international and local companies including Starbucks, Casa Luker and Alqueria. In addition, the Mission has successfully embarked on joint partnerships with the private sector and the GOC through programs such as the Ministry of Agriculture's Productive Alliances. Through this program, USAID has assisted rural farmers in successfully identifying private sector partners and applying for GOC funding to launch these partnerships. In 2012, over 50 USAID-supported Productive Alliances proposals were approved by the Ministry of Agriculture and to date, USAID has

[60] Departamento Administrativo Nacional de Estadististicas (DANE), Bogota, 2013

invested approximately $3.5 million and leveraged over $18.5 million in private and public sector funds.

PPPs will continue to play an important role in the implementation of this CDCS, both to leverage greater investment for every U.S. dollar spent, and to increase USAID's sustainable impact over time. Recently USAID entered into several PPPs, such as:

1) A 10-year DCA loan portfolio guarantee program to strengthen the Althelia Climate Fund's ability to provide loans for sustainable land-use activities that generate emission reductions, including Reduced Emissions from Deforestation and Degradation (REDD+) projects that earn carbon offset credits on the global voluntary and compliance markets.
2) With Grupo Bancolombia, the largest financial conglomerate in Colombia, USAID is implementing a PPP that aims to open the world of financial services to geographically isolated cocoa farmers via mobile technologies, so that producers don't have to travel to far off bank branches.
3) With the support of the Compania Nacional de Chocolates (CNCh), a food and beverage company, subsidiary of NYSE-traded foods conglomerate Nutresa, former coca growing farmers of Taraza will export in 2014 their first harvest of 40 tons of fermented and dried cocoa beans at Fair Trade Certified prices, including a $200 premium per ton.
4) With Starbucks, the PPP signed aims to increase Colombian coffee yields and quality and will provide technical advice and training to 25,000 farmers, half of whom are located in high-impact, conflict-affected regions and increase yields and incomes by 50% while introducing sustainable agricultural practices.
5) With Atento and Gente Estrategica, two important outsourcing companies in Colombia, the PPPs provide vocational training and employment opportunities for Afro-Colombian and indigenous youth, with a target of 10,000 young Afro-Colombians being placed in different private sector companies participating of the program.

In order to continue to improve how the Mission pursues, structures, and executes on its PPPs, the Mission is currently undertaking a comprehensive assessment of its ongoing and past PPPs to document best practices, lessons learned, successful structures and processes, and significant outcomes. Findings from the assessment will be used to inform USAID's partnerships strategy going forward in the context of peace and will also help the Mission to better understand how different PPP models can best include women and marginalized groups.

The areas with greatest potential for additional future PPPs include improving economic livelihoods of rural farmer families, assisting ex-combatants to re-enter the labor market, and facilitating the entry of Afro-Colombian and Indigenous people into Colombia's formal labor markets. See Annex B for more on USAID's engagement with the private sector.

X. Trilateral Cooperation

USAID/Colombia signed a Memorandum of Understanding in 2012 with the Colombian Agency for International Cooperation (APC) to foster greater trilateral cooperation in the region. This is an indicator of the transforming partnership between the USG and GOC, and demonstrates the evolving role of Colombia as not only a recipient but also as a provider of development cooperation. Colombia was identified internationally as a pivotal country for South-South cooperation, particularly related to security cooperation efforts in the region.

USAID works closely with APC to expand support to Guatemala in the security sector based on Colombian successes with crime observatory models. These observatories are located in numerous major cities in Colombia, and serve as crime statistics centers that list, analyze and publish crime data. The USAID Missions in Colombia and Guatemala organize educational exchanges of officials to learn about different systems of operation. Follow-on activities will continue to be discussed. In addition, USAID/Colombia and the GOC provided technical assistance to the Government of Jamaica with the developing of its national low emissions development strategy, and helps advance whole-of-government approaches to climate change. Finally, discussions between USAID/Colombia, APC, USAID/Honduras and Honduran government counterparts are in the early stages, and will be explored during the CDCS.

XI. Conclusion

USAID has played an important role in the USG's broader inter-agency efforts to strengthen the Colombian state, transition out of internal armed conflict and lay the conditions for an enduring peace. If agreement is reached to end the conflict, the Mission anticipates that this CDCS will mark the final phase of robust USAID support in Colombia. This moment holds out the opportunity of helping Colombia secure a well-deserved peace, strengthen its position as a regional leader, and transition from a relationship of assistance to one of greater partnership.

Annex A: Results Frameworks: Abbreviated and Full Versions

USAID | COLOMBIA

version: 06/10/2014

Country Development Cooperation Strategy

Mission Goal: Colombia more capable of successfully implementing a sustainable and inclusive* peace

DO1: Effective presence of democratic institutions and processes in targeted areas

- **IR1.1:** Citizen-prioritized services more effectively delivered
- **IR1.2:** Increased citizen participation in democratic processes and governance
- **IR1.3:** Improved administration of justice and protection of human rights

DO2: Reconciliation advanced among victims, ex-combatants and other citizens

- **IR2.1:** Improved reparations and services provided to conflict victims
- **IR2.2:** Demobilized combatants reintegrated into society
- **IR2.3:** Truth-telling processes effectively launched

DO3: Improved Conditions for Inclusive Rural Economic Growth

- **IR3.1:** More equitable and secure land tenure
- **IR3.2:** Increased public and private investment in the rural sector
- **IR3.3:** More effective producer associations benefitting smallholder farmers

DO4: Environmental resiliency and low-emissions development strengthened

- **IR4.1:** Natural resource management improved
- **IR4.2:** Mitigation of greenhouse gas emissions increased
- **IR4.3:** Increased resilience to the consequences of a changing climate

= Intermediate results that will receive less funding or will be discontinued if no peace agreement is signed.

*Inclusive refers to vulnerable populations such as women, internally displaced persons, LGBTI persons, Afro-Colombians, Indigenous persons, and those with disabilities.

USAID | COLOMBIA FROM THE AMERICAN PEOPLE

Country Development Cooperation Strategy

version: 06/10/2014

Mission Goal: Colombia more capable of successfully implementing a sustainable and inclusive* peace

DO1: Effective presence of democratic institutions and processes in targeted areas

IR1.1: Citizen-prioritized services more effectively delivered

- **Sub IR1.1.1:** Increased capacity of municipal governments to deliver services
- **Sub IR1.1.2:** Increased government capacity to limit corruption at the local level

IR1.2: Increased citizen participation in democratic processes and governance

- **Sub IR1.2.1:** Greater involvement of civil society in budgeting, planning, and execution of projects at the sub-national governance level
- **Sub IR1.2.2:** Greater monitoring and oversight of sub-national governments by civil society

IR1.3: Improved administration of justice and protection of human rights

- **Sub IR1.3.1:** Increased access to justice
- **Sub IR1.3.2:** Increased capacity to prevent and respond to human rights violations

DO2: Reconciliation advanced among victims, ex-combatants and other citizens

IR2.1: Improved reparations and services provided to conflict victims

- **Sub IR2.1.1:** Improved operational capacity of key GOC entities to provide services to victims
- **Sub IR2.1.2:** Improved capacity of victims and victims' organizations for oversight of service provision to victims
- **Sub IR2.1.3:** Specialized programs implemented to aid marginalized groups, including Afro-Colombians and indigenous

IR2.2: Demobilized combatants reintegrated into society

- **Sub IR2.2.1:** Improved capacity of GOC institutions to effectively manage the reintegration of adult ex-combatants
- **Sub IR2.2.2:** Improved capacity of GOC institutions to ensure the reintegration of child soldiers and at-risk youth

IR2.3: Truth-telling processes effectively launched

- **Sub IR2.3.1:** Improved capacity of the GOC and civil society to ensure that truth and reconciliation processes reach citizens at the local levels
- **Sub IR2.3.2:** Improved capacity of the Center for Historical Memory to document experiences and build awareness of citizens of the conflict

DO3: Improved Conditions for Inclusive Rural Economic Growth

IR3.1: More equitable and secure land tenure

- **Sub IR3.1.1** Land restituted to displaced victims of conflict
- **Sub IR3.1.2** More rural smallholders with formal land title

IR3.2: Increased public and private investment in the rural sector

- **Sub IR3.2.1** Strengthened local governments' capacity to access and manage public funds for productive infrastructure
- **Sub IR3.2.2** Increased private sector investment in target rural communities

IR3.3: More effective producer associations benefitting smallholder farmers

- **Sub IR3.3.1** Improved institutional capacity of producer associations
- **Sub IR3.3.2** Producer associations providing effective services to members

DO4: Environmental resiliency and low-emissions development strengthened

IR4.1: Natural resource management improved

- **Sub IR4.1.1** Legality, rehabilitation, and mercury reduction use in artisanal mining operations improved
- **Sub IR4.1.2** Conservation of biodiversity promoted

IR4.2: Mitigation of greenhouse gas emissions increased

- **Sub IR4.2.1** Development of Colombian Low Carbon Development Strategy fostered
- **Sub IR4.2.2** Low emission rural development supported
- **Sub IR4.2.3** Increased access to clean and efficient energy

IR4.3: Increased resilience to the consequences of a changing climate

- **Sub IR4.3.1** Use of forecast technologies, tools, and approaches for building climate change resilience increased
- **Sub IR4.3.2** Use of ecosystem based adaptation for decision making at the regional level increased

◥ = Intermediate results that will receive less funding, or will be discontinued, if no peace agreement is signed

*Inclusive refers to vulnerable populations such as women, internally displaced persons, LGBTI persons, Afro-Colombians, Indigenous persons, and those with disabilities.

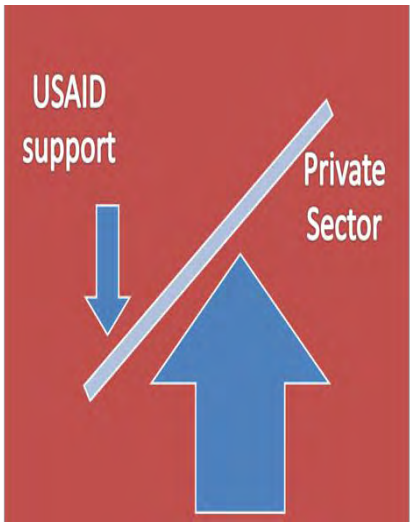
Annex B: Evolution of Public-Private Partnerships

From Retail to Wholesale to Catalytic Development

USAID's strategic vision and the security conditions in the country's rural sector have defined the Mission's engagement with the private sector. The Mission's rural development methodology and its approach with the private sector could be viewed as having three phases: 1) transitioning from a direct, hands-on approach, to 2) one which sought to strengthen the producer-buyer articulation, and finally 3) to a strategy which aims to attract significant private sector resources to carry-out sustainable economic growth in the target areas.

Phase I: Retail Development:

In 2001, in support of Plan Colombia and the GOC's integrated campaign to eliminate narco-trafficking, USAID began to increase its Alternative Development (AD) support through several large-scale rural development projects. These integrated initiatives sought to strengthen public institutions, establish productive infrastructure, implement productive activities, and promote natural resource management. Subsequently, their focus shifted towards increasing support to private sector expansion of the production and/or processing of profitable agricultural commodities in or near areas of illicit crop production. The commodity value chains selected were those characterized by a high degree of small farmer participation, such as cacao, rubber, dairy and coffee, and viable economic returns. Perhaps due to the weak presence of state institutions and the absence of alternative providers, the implementers addressed every facet related to development promotion. The MIDAS project model for alternative development focused on crowding out illicit activities by generating significant new sources of alternative income through an integrated, well- coordinated and highly leveraged program of sustainable business development. The project provided technical assistance, strengthened producer associations, supplied credit and brokered private sector partnerships.



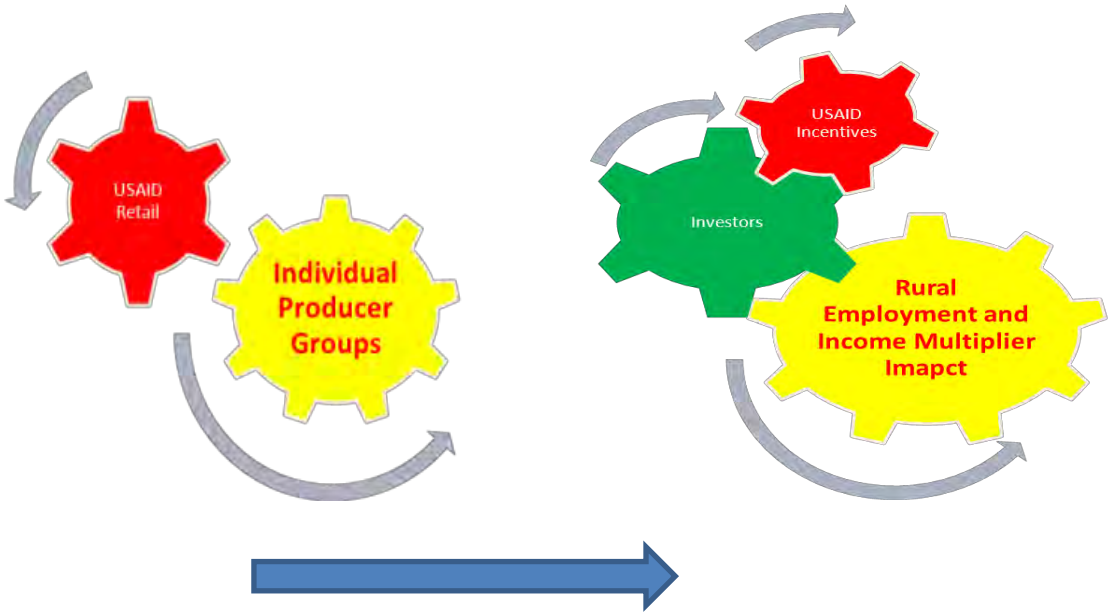
USAID Program	Major Objective	Security Conditions	Approach	Budget US$ million
MIDAS 2006-2010	Alternative Development by introducing licit economic options	Highly insecure; widespread and active conflict	Hands-on; implementer delivered TA, credit, market alliances, cooperative support	180
CELI's (3) 2012-2015	Extend and solidify state presence through, inter alia, small-scale economic projects	Mixed - Acute insecurity mitigated in certain areas, while prevailing in others	Community driven, implementer seeks to facilitate community identified economic projects	237
Rural Economic Growth 2014-2017	Sustainable and inclusive rural economic growth	Improving – areas are considered suitable for significant private sector commitment	Encourage private sector investment in target areas by reducing/mitigating costs-risks	185

Of the project's total funding of $180 million, $85 million was directed towards leveraging private sector support to the target communities. Of that $85 million, MIDAS leveraged $285 million from private sources, which ultimately contributed to the generation of 250,000 new jobs. These private partnerships covered a range of investment sectors, primarily agricultural, such as rubber, cacao, and African palm enterprises, but included hotels and tourism as well. As a result of these successes, USAID became recognized in Colombia as the foremost development partner in working with the private sector in the country's most marginalized, conflict-affected regions.

Phase II: Wholesale Development:
Since 2011, as part of the U.S. foreign policy goal to assist the GOC to displace the control of illegal groups and expand legitimate authority, the USAID Mission's strategic objective focused on supporting the GOC to extend and strengthen its presence in the marginalized rural municipalities. To this end, USAID launched three programs, known as the Consolidated and Enhanced Livelihoods Initiatives (CELIs). The CELIs targeted the country's most troubled regions and were designed to build the capacity of local governance and communities. A CELI sub-component is to promote small-scale, quick impact income generating projects which facilitate market access and upgrade value-chains.

A key component of the CELIs is its support for *Productive Alliances*, a GOC program which provides grant subsidies to develop agricultural value-chains which link small farmer associations with national and international private sector buyers. The grants require a counterpart match of at least 50% and the commitment of a private sector company as a member of the alliance. The CELIs bring together the different actors and take the lead in developing competitive proposals for submission to the *Productive Alliances* program. In 2012, over 50 of the CELI-assisted proposals were awarded grants by the Ministry of Agriculture, with the CELIs providing 20% of the co-funding on average. To date, USAID has invested about $3.5 million and leveraged more than $18.5 million from public and private sources for these efforts. For the 2013 selection round, more than 30 projects with USAID support have been selected. Crops and products that were selected include cacao, rubber, fruits, dairy, meat, specialty coffee, and fish farming. Examples of businesses participating in the alliances include Compania Nacional de Chocolates (cocoa), Latexport (rubber), Nutresa (food processing company), Casa Luker (coffee and cocoa) and Postobon (beverage company).

Phase III: Catalytic Development:
During the past 15 years, security conditions in Colombia have significantly improved. National economic growth has been sound, with an annual growth rate of more than 4.5 percent in recent years. While significant challenges remain, most markedly in economic equality, today's Colombia is a far more mature, modern and democratic country than the Colombia of a decade ago. As a result, USAID envisions leveraging and harnessing the tremendous and sustainable power of the private sector to achieve sustainable development results.



Consistent with the advances in Colombia and with the USAID development approach, USAID/Colombia is building upon the expertise gained through its earlier private sector successes to develop a strategy which aims to attract private sector actors, both Colombian and international, to carry-out sustainable development in target communities. Selected initiatives described below are illustrative of the private sector approach the Mission intends to pursue in support for strengthening value chains.

Coffee: Colombia is now the world's largest producer of premium quality Arabica beans. Coffee is an attractive option for small farmers as it can be planted as a permanent crop with a relatively low investment, it has few technical requirements and it can be grown alongside subsistence crops. Although in the last decade the commodity market for coffee has yielded record-low prices due to increases in production worldwide, prices for specialty coffees have held steady and even risen. USAID continues to develop alliances with key private sector leaders in the coffee sector to increase Colombian coffee yields, quality, and infrastructure, especially in conflict-prone zones.

Cacao: Fine cocoa has proven to be a successful crop in Colombia for which there is growing world demand. Over the past decade, while global demand for all cocoa grades has grown between 2–4%, annual demand for fine cocoa products has increased four times faster, commanding market price premiums of over 50%. This trend is expected to continue, fueled by market preferences toward dark chocolate and growing demand from emerging economies. Currently, the Colombian cocoa industry is relatively small, with 25,000 farmers producing about 42,000 tons or 0.2% of the global market. However, about 85% of Colombian cocoa is from "fine" species, giving Colombia a 3% share of global fine cocoa exports. USAID continues to develop alliances with key private sector leaders in the cacao sector to increase raise productivity and incomes, improve infrastructure, and strengthen market linkages.

Private Investment Fund: In 2004, USAID/Colombia awarded $4 million to support Small Enterprise Assistance Fund (SEAF) in establishing the private equity fund *Fondo Trans-Andino Colombia*, which would provide growth capital to Small and Medium Enterprises in Colombia. The proceeds were to be used to set up the local SEAF office ($.5 million) and as capital contribution to the new fund ($3.5 million). The USAID award was completed in early 2009, and has had demonstrably positive impacts in employment creation, formalization of employment, such as full health and pension benefits for workers, as well as the economic returns for the investors. By the end of 2011, the Fund´s active portfolio employed a total of 3,316 people, achieved a compounded annual growth in revenues of 31 percent and of EBITDA of 36%.

The Fund also served as a showcase for private equity (PE) investment in Colombia. In 2005, the Fund was the only PE fund in the Colombian market. Today, there are approximately 30 different funds operating in Colombia with approximately $4 billion in assets. Importantly, SEAF is an example of a sustainable USAID-launched activity as it is now an independent for-profit enterprise and continues to provide promising SMEs with funding and operational support through its second generation Colombia fund. In 2011, the first closing of $65 million was completed for the successor to the *Fondo Trans-Andino Colombia* (FTC) with commitments from local and regional pension funds. The FTC has begun to invest in agricultural venture enterprises, such as the C.I Agroaromas of Bogota, which working with small farmers in a small town two hours from the capital, successfully cultivates, packages and distributes daily organic herbs to Trader Joe's, Whole Foods and high-end restaurants in northeastern United States.

Going forward:
USAID seeks to apply these highly effective models to encourage investors to venture out of their comfort zones and look into the agricultural sectors of Colombia that have higher risk. USAID will work with an investment fund to direct viable employment generating private sector investment into these target areas, and will mitigate the potential investors' risks and costs. Such instruments include portfolio diversification, risk insurance, cost or risk share arrangements and coverage of up-front investment cost (preparation of environmental assessments, feasibility studies and other technical or market analysis) and assistance with certification procedures. USAID recognizes that in an economy as mature and dynamic as the Colombian, harnessing this energy into the rural sector is the real key to sustainable economic growth, the principal pillar to Colombia's path towards peace.

Annex C: Illustrative Performance Indicators and Evaluation Questions

Mission Goal: *Colombia more capable of successfully implementing a sustainable and inclusive peace*	
• Value of new private investment in targeted rural areas leveraged by USG assistance • GOC institutions that have reached their USAID-designated capacity and transition targets • Municipal performance index • Percentage of persons in target municipalities who agree with reconciliation	
DO1: ***Effective presence of democratic institutions and processes in targeted areas.***	
• Consolidation index (measures degree of state presence using three primary criteria: institutional capacity, citizen participation and regional integration) • DNP's Municipal Performance Index	
IR 1.1: Citizen-prioritized services more effectively delivered.	• Percentage increase in municipal tax collected in target municipalities • Percentage of municipal investment budget executed in fiscal year in targeted municipalities • Number of indictments by the Attorney General's Office for electoral crimes
Sub IR 1.1.1: Increased capacity of municipal governments to deliver services	• Percentage of projects financed with royalties revenues completed of those approved
Sub IR 1.1.2: Increased government capacity to limit corruption at the local level	• Perception of honesty and quality of local governance in target municipalities
IR 1.2: Increased citizen participation in democratic processes and governance	• Extent to which citizens trust in other citizens in their community in targeted municipalities • Extent to which citizens trust in municipal governments in targeted municipalities
Sub IR 1.2.1: Greater involvement of civil society in budgeting, planning and execution of projects at the sub-national governance level.	• Percentage of citizen prioritized initiatives in development plans, proposed by *Juntas de Acción Comunal*, completed • Percentage of civil society leaders that report high levels of responsiveness by the municipal government to citizen input
Sub IR 1.2.2: Greater monitoring and oversight of sub-national governments by civil society.	• Percentage of candidates in targeted areas with links to illegal armed actors • Number of formal requests for information (*Derecho de Petición*) and civil/criminal complaints filed by civil society organizations providing monitoring and oversight of project execution by sub-national governments in targeted areas
IR 1.3: Improved administration of justice and protection of human rights	• Percentage of persons surveyed in target municipalities who report that he/she had his/her human rights violated in the preceding year • Number of municipalities in targeted areas that have executed the line item in the annual budget for access to justice activities
Sub IR 1.3.1: Increased capacity to prevent and respond to human rights violations.	• Number of disputes resolved by government-trained alternative dispute resolution (ADR) providers in targeted areas.
Sub IR 1.3.2: Increased capacity to prevent and respond to human rights violations.	• Percentage increase in responsiveness of local government authorities to early warnings and recommendations issued by the Interagency Early Warning Commission in targeted areas

Mission Goal: *Colombia more capable of successfully implementing a sustainable and inclusive peace*	
DO2: ***Reconciliation advanced among victims, ex-combatants and other citizens –reported by OVP***	
• Number of vulnerable people benefitting from USG-supported social services • Cessation of Vulnerability Index (under development/Victims Unit)	
IR 2.1: Improved services provided to conflict victims	• Number of persons who receive financial reparations
IR 2.1.1: Improved operational capacity of key GOC entities to provide services to victims	• Average time between the declaration and the evaluation in victims' registration process. • Number of victims who positively evaluate services received. • Number of VISP municipalities where the Cessation of Vulnerability Index is being applied. • Percentage of increase in budget allocated by GOC to VISP target municipalities for implementation of victims' action plans.
IR 2.1.2: Improved capacity of victims and victims' organizations for oversight of service provision to victims.	• Number of USG assisted organizations and/or service delivery systems strengthened who serve vulnerable populations.
IR 2.1.3: Specialized programs implemented to aid marginalized groups, including Afro-Colombians and indigenous.	• Average percent change in estimated income of Afro-Colombian and indigenous families in targeted rural areas. • Average percent change in perceptions of Afro-Colombian and indigenous persons of their socio-economic and political inclusion. • Number of Afro-Colombian or indigenous persons gaining formal employment.
IR 2.2: Demobilized combatants reintegrated into society	• Number of ex-combatants who are involved in income generation activities and law abiding after graduation
IR 2.2.1: Improved capacity of GOC institutions to effectively manage the reintegration of adult ex-combatants	• Number ex-combatants graduated from the reintegration program.
IR 2.2.2: Improved capacity of GOC institutions to ensure the reintegration of child soldiers and at-risk youth	• Number of child soldiers identified. • Percentage of disengaged child soldiers receiving tailored services.
IR 2.3: Truth-telling processes effectively launched	• Percent change in attitudes / perceptions towards reconciliation in targeted areas
IR 2.3.1: Improved capacity of the GOC and Civil Society to ensure that truth and reconciliation processes reach citizens at the local levels	• Number of municipalities where the Center for Historical Memory has supported or coordinated local initiatives.
IR 2.3.2: Improved capacity of the Center for Historical Memory to document experiences and build awareness of citizens of the conflict	• Number of truth-telling initiatives supported by the Center for Historical Memory at the national level.

Mission Goal: *Colombia more capable of successfully implementing a sustainable and inclusive peace*	
DO3: ***Improved Conditions for Inclusive Rural Economic Growth***	
• Percentage of people living in extreme poverty • Average household income derived from licit activities	
IR 3.1: More equitable and secure land tenure	• Number of households that have obtained documented property rights as a result of USG support
Sub IR 3.1.1: Land restituted to displaced victims of conflict	• Number of restitution cases processed in target areas
Sub IR 3.1.2: More rural smallholders with formal land title	• Number of formalization cases processed in target areas
IR 3.2: Increased public and private investment in the rural sector	• Value of new private and public sector investment in targeted rural areas leveraged by USG assistance •
Sub IR 3.2.1: Strengthened local governments' capacity to access and manage public funds for productive infrastructure	• No. of local governments that have improved their capacity to manage public funds for productive infrastructure • No. of projects developed and successfully executed in key sectors,
Sub IR 3.2.2: Increased private sector investment in target rural communities	• Number of public-private partnerships formed as a result of USG assistance • % of banked population in target municipalities • % change of private investment (domestic and/or foreign) in targeted rural areas
IR 3.3: More effective producer associations benefitting smallholder farmers	• Value of incremental sales of key supported products
Sub IR 3.3.1: Improved institutional capacity of producer associations	• Change in Index of Organizational Capacity (ICO) of CSOs supported by USG assistance
Sub IR 3.3.2: Producer associations providing effective services to members	• Change in net incomes of producer association members • Number of members receiving technical assistance, marketing assistance and participating in commercial alliances for product sales

Mission Goal: *Colombia more capable of successfully implementing a sustainable and inclusive peace*	
DO4: ***Environmental Resiliency and Low-emissions Development Strengthened***	
• Number of institutions/public and private organizations with improved capacity for effective environmental resource management *(4.8.2-14)* • Amount of investment leveraged in U.S. dollars, from private and public sources, for climate change as a result of USG assistance	
IR 4.1: Natural Resources Management Improved	• Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance (4.8.1-26) • Amount of investment (US dollars) leveraged from public and private sources for improved biodiversity conservation in protected areas and buffer zones, indigenous reserves, and Afro-Colombian territories
Sub IR 4.1.1: Legality, rehabilitation, and mercury reduction use in artisanal mining operations improved	• Quantity of mercury removed from the production cycle (kilograms) in small scale artisanal gold mining operations in Colombia.
Sub IR 4.1.2: Conservation of biodiversity promoted	• Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance (4.8.1-6) • No. of person hours of training in natural resources management and/or biodiversity conservation supported by USG assistance (4.8.1-27)
IR 4.2: Mitigation of Greenhouse Gases Increased	• Quantity of greenhouse gas (GHG) emissions, measured in metric tons of CO2e, reduced or sequestered as a result of USG assistance (4.8-7)
Sub IR 4.2.1: Development of Colombian Low Carbon Development Strategy foster	• Percentage of the Low Carbon Development Strategy foster as a result of USG support • Number of mitigation and/or adaptation tools, technologies and methodologies developed, tested and/or adopted
Sub IR 4.2.2: Low emission rural development supported	• Clean energy generation capacity installed or rehabilitated as a result of USG assistance (4.8.2-32)
Sub IR 4.2.3: Increased access to clean and efficient energy	• Number of beneficiaries with improved clean energy services due to USG assistance
IR 4.3 Increased resilience to the consequences of a changing climate	• No. of stakeholders with increased capacity to adapt to the impacts of climate change as a result of the USG assistance (4.8.2-26) • Amount of investment leveraged in U.S. dollars, from private and public sources, for infrastructure projects that reduce climate change vulnerability to Colombian citizens as a result of USG assistance. (projected and executed)
Sub IR 4.3.1: Use of forecast technologies, tools, and approaches for building climate change resilience increased	• Number of mitigation and/or adaptation tools, technologies and methodologies developed, tested and/or adopted
Sub IR 4.3.2: Use of ecosystem based adaptation for decision making at the regional level increased	• Number of institutions with improved capacity to address climate change issues as a result of USG assistance (4.8.2-14)

Gender Indicators

- Proportion of female participants in USG assisted programs designed to increase access to productive economic resources (assets, credit, income, or employment)
- Number of protocols and procedures implemented by the Victims Unit and SC-DA with differentiated approach in target municipalities
- Percentage of civil servants who gain skills to identify and refer women victims of sexual violence
- Percentage of awareness on sexual violence and victims´ rights in target municipalities

High Priority Evaluation Questions by Development Objective

DO1-DHR	DO2-OVP
1. What aspects of municipal government administration were most improved with USAID assistance and why? 2. To what extent are government institutions at the municipal level more capable of promoting respect for human rights? 3. To what extent has the program contributed to increased capacity of electoral institutions to address irregularities and crimes? 4. To what extent are government institutions more capable of providing greater access to justice at the local level? 5. To what extent has the project contributed to decreasing gender gaps in terms of access to justice and receiving basic municipal services, as well as decreased gender-based violence?	1. To what extent has USAID assistance helped the GOC to develop its capacity to administer critical victims, ethnic communities and reintegration programs? 2. To what extent has USAID assistance helped civil society organizations develop their capacity to better represent their constituents and serve as oversight bodies for the GOC? 3. To what extend has USAID assistance helped to promote greater tolerance and acceptance by Colombians of their fellow citizens?
DO3-CLL	**DO4-ENV**
1. To what extent have USAID activities contributed, in a measurable way, to improving the conditions for inclusive rural economic growth in Colombia? 2. What have been the main results of USAID's activities at the level of: rural residents and farmers, producer associations, rural enterprises, private sector investment? 3. Which activities have been more successful in achieving their objectives, and what were the primary factors for their relative success? 4. What combinations of interventions were more successful and sustainable than others, and what were the primary synergies that contributed to that success? 5. Did any programmatic changes occur during the project's implementation? Why did they occur? What were the lessons learned from these changes?	1. To what extent did project activities lead to measurable/tangible benefits for target beneficiaries? 2. What are the key lessons learned that should be incorporated into future activity designs? 3. Were efforts targeting women successful in generating improved socio-economic stability for their households? 4. Did the Development Credit Authority (DCA) loan guarantee promote conservation measures, carbon sequestration or carbon credit sales? 5. Was the program successful in attracting private sector investment in target regions?

Annex D: Maps

- **Map #1: Where USAID DO's 1-3 Currently Work**
  This map shows USAID/Colombia's current geographic presence for DOs 1-3, which programmatically focus on the expansion of state presence, reconciliation and rural economic growth. These geographic priorities include areas that have long been centers of conflict and illegality, and/or maintain high concentrations of vulnerable populations, including victims, Afro-Colombians and indigenous groups. USAID will work in these areas from the beginning of this CDCS and likely limit its focus to these areas throughout the life of the CDCS in the event there is no peace agreement. If there is a GOC-FARC agreement, USAID may geographically expand to additional municipalities that will be critical to transitioning out of conflict. Expansion will depend, in large part, on GOC needs and requests, as well as availability of funds. Mission programs will be flexible to allow for this shift, should the need arise.

- **Map #2: Environment (DO4) Programmatic Geography**
  This map shows Environment (DO4) geography according to adaptation, sustainable landscapes, clean energy, biodiversity and mining activities.

USAID | COLOMBIA
FROM THE AMERICAN PEOPLE

Map #1. Where USAID currently works (DOs 1-3)

USAID | COLOMBIA
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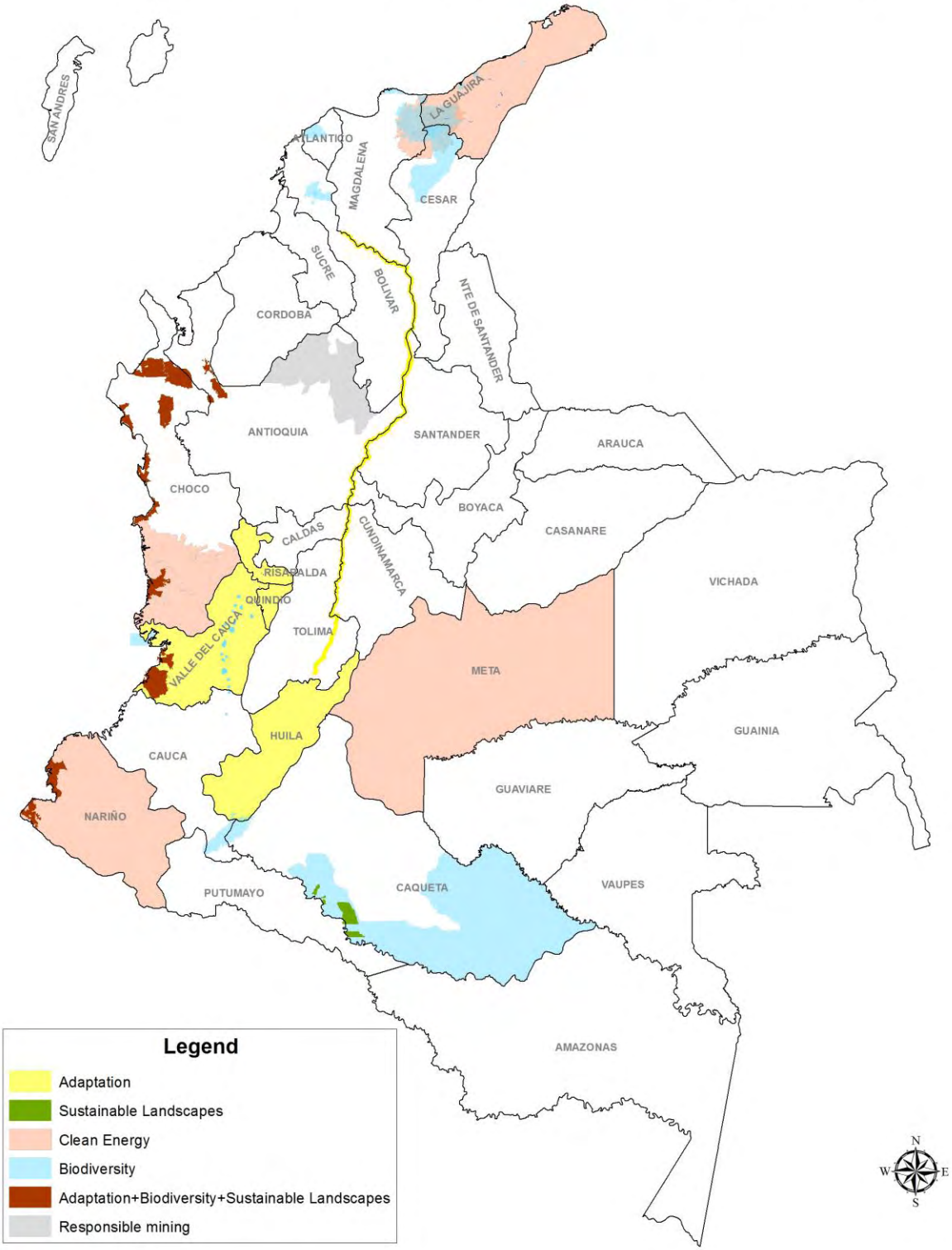
Map #2. Environment Programmatic Geography (DO4)