

Concept Paper
Strategic Development and Enhanced Livelihoods Initiative

I. Objective of this Concept Paper

This paper seeks to outline the broad components of implementation mechanisms that will integrate large parts of USAID/Colombia's approach to alternative development with complementary activities under the Mission's other assistance objective areas, including governance, attention to groups that have been affected by conflict, and demobilization and reintegration efforts. Further, this concept paper invites all interested parties to submit comments and suggestions on any aspect of this concept to USAID/Colombia as soon as possible, but no later than May 7, 2009. The Mission will then consider and incorporate comments and suggestions into the program design as appropriate and reasonable.

II. Background

USAID/Colombia's strategic orientation for the 2005-2008 period was based principally on support for Plan Colombia's counter-narcotics focus. Alternative development represented roughly one-half of USAID's programming during this time and supported the cultivation of hundreds of thousands of licit crops, created new jobs, improved governance in vulnerable municipalities, and reduced the influence of the illegal economy in targeted communities. Its support for displaced and other vulnerable persons facilitated the provision of social and economic opportunities for these groups, with the ultimate goal of their full inclusion in society. The governance program strengthened human rights, enhanced political participation, strengthened the judicial and legal oversight role across government, and assisted in making government more accessible and transparent to the average citizen. USAID's demobilization and reintegration efforts have supported the development of a tracking, monitoring and evaluation system for the registration process of ex-combatants. USAID has also facilitated access to basic services and jobs for beneficiaries and helped to reintegrate ex-combatants into receptor communities. USAID's policy reform work has allowed the U.S. Government to enhance Colombia's competitiveness and assist with policies and reforms to promote broader economic development and help poor, rural populations take advantage of market opportunities.

Despite tremendous advances in all areas in which USAID/Colombia is active, lessons learned, comparative analyses of efforts in other countries, recent assessments and reviews, advancements in the planning and operational capacity of the GOC, and closer integration with other interagency partners within the U.S. Embassy have highlighted the need to more tightly integrate and synchronize USG efforts in targeted geographic areas of Colombia. Further, the reviews highlighted significant areas of technical and operational overlap among USAID's programs.

The U.S. Embassy has developed the Colombia Strategic Development Initiative (CSDI), which identifies an integrated and geographically targeted approach as the most effective way to consolidate security and development gains, reduce coca cultivation and the efficacy of illegally armed groups, and bring state services in targeted conflict regions throughout the country. The new program described in this paper attempts to consolidate complementary development initiatives while incorporating the best practices and lessons learned from the past nine years of Plan Colombia. CSDI requires that several USG agencies and multiple GOC entities work collectively to achieve the initiative's goals. USAID and its partners are important actors in the CSDI, but they represent only one part of a larger, dynamic, integrated approach.

III. Program Concept

Most USAID resources under this new approach will support the Colombian Government's "strategic leap" effort to consolidate gains in targeted areas of the country. USAID's programs will include activities under the Mission's traditional alternative development, governance, vulnerable populations, and demobilization and reintegration portfolios, but with a significant change: implementation under this new phase will be fully integrated as opposed to separate, stove-piped initiatives, concentrating on a regional focus and expertise, rather than sectoral foci. GOC efforts will be supported by, not led by, USG programs. To be successful, these initiatives will require full engagement and coordination with civil society and the private sector. Colombian organizations will be in front of each effort, since this approach aims to build local capacity and strengthen citizen confidence in local institutions.

Under the CSDI, USAID is already coordinating closely with other Embassy sections, including the Narcotics Affairs Section (NAS), the Military Group as well as Political and Economic sections of the State Department to develop an integrated approach. USG programs will include security, eradication, and development interventions targeted at a wide range of populations. The Embassy is working strategically with the GOC in targeted geographic areas in which GOC resources are coordinated and focused to create a "tipping point"¹ in terms of security and governance consolidation, licit economic development, civic participation and the permanent presence of the state and related services. USAID's role in these regional efforts – implemented mostly, though *not necessarily only*, through the CSDI programs -- will be to tactically support those interventions through economic and social development and improving governance. U.S. Embassy interventions, including USAID programs, will be coordinated with public-sector activities through the GOC-led Fusion Centers located in targeted areas. The Fusion Centers will be the principal clearing house to ensure integration, coordination and synchronization of security, eradication, livelihood, and governance activities, both between sectors and vertically with national-level initiatives.

Priority zones for the majority of the resources dedicated to this initiative are located within five corridors in Colombia in which there remain significant security, coca eradication, rule of law, poverty, displacement, and economic development challenges. The CSDI corridors include (in no particular order): 1) Montes de Maria; 2) Narino/Putumayo Corridor; 3) Central Corridor (from La Macarena in Meta west to Buenaventura); 4) Bajo Cauca/Catatumbo Corridor; and 5) Uraba/Northern Choco Corridor. It is anticipated that, with a "whole-of-government" approach to combating the destabilizing influences in the targeted zones, the GOC will be able to maintain a positive, long-term state presence with little chance of regression. Due to the integrated nature of this approach, observers of the strategy will immediately note that not all zones and clusters within those zones will require the same sequencing or mix of interventions. Each targeted area will require a specific approach unique to its needs. In addition, the strategy will include proactive efforts to reduce the balloon effect into vulnerable communities adjacent to the focus zones. This may include expanding programming to neighboring communities or related peri-urban centers as appropriate.

¹ The "tipping point" is defined as the point in time in which governance and security gains would be practically impossible to reverse. It will be measured as a function of multiple quantitative and qualitative factors, including reductions in illicit crop production, number of legal employment opportunities created, the number of displaced persons returned, the number of successfully re-integrated ex-combatants, increase in living standards in the region, a handover of security operations from the military to the police (if applicable) and the number and quality of government services being provided in the area.

USAID will continue work in other areas of the country on national-level initiatives. For example, USAID will also continue to have robust national programs such as Human Rights, Rule of Law, Victims and IDP programs.

As with past programs, productive activities will remain the hallmark of creating legal livelihoods to help recovery and reintegration of those affected by the conflict, and as an alternative to options offered in the illegal drug economy. An integrated approach to consolidating security and eradication gains requires a robust effort to create thousands of legal economic opportunities for Colombians to promote peace and stability and to replace livelihoods lost due to eradication, displacement, violence, and conflict. USAID will also increase emphasis on immediate, short-term interventions to meet economic and social needs to help an area more quickly recover. In addition, medium- and longer-term interventions will be initiated simultaneously. USAID will focus livelihood and job creation efforts on small- and medium-sized rural enterprises, farmers and agribusinesses, and sustainable forestry programs. However, USAID will also promote livelihoods for other, non-farming, vulnerable populations—including the displaced, victims, demobilized and others—according to the special needs and characteristics of each group. Promotion of sustainable, competitive, but labor-intensive, activities will be key. Efforts will be made to link beneficiaries in consolidation zones with similar organizations, clusters, value chains, processors, and exporters in other productive zones of the country. Employment and value chain development will be focused in rural and semi-rural areas where the GOC's influence is least and where the need for rural development is greatest, as well as in related areas with diverse vulnerable populations. The establishment of basic security in these zones will be a precursor to the development of productive activities, at which point security and economic opportunities will be mutually reinforcing. Where appropriate, food security and economic development opportunities will be linked with ongoing or past illicit crop eradication interventions as a way to reduce replanting and provide targeted populations with licit opportunities as the primary livelihoods alternative.

The strengthening of local Colombian organizations, both public and private, will be crucial to achieving program objectives. USAID will assist municipal governments and other representative local (vereda)-, municipal-, and department-level organizations to build capacity to deliver essential government services, to expand access to justice, to provide for the needs of vulnerable populations, and foster employment opportunities. USAID assistance will target public and private organizations for strengthening as they represent the social and economic backbone of rural communities and are key to the long-term sustainability of this effort. These will include, but not be limited to, mayor's offices, governor's offices, consejos, citizen's groups, associations, cooperatives, etc. The targeted organizations, among others, will play an important part in their local development as the needs of the communities will be identified and vetted through an extensive, transparent consultation process. USAID programming will also foster informal local level initiatives aimed at responding to community needs, developing citizen oversight initiatives, and controlling corruption.

Facilitating access to basic services (including specialized services targeted at various vulnerable populations), infrastructure, and citizen security will also be a tenet of this program. USAID will support and/or facilitate the provision of critical infrastructure and basic services as a way to demonstrate state presence in targeted areas. Support in this area will incentivize communities to remain free of illicit crops, to support efforts of the state and the private sector in their communities, and to establish the fundamental economic infrastructure for all levels of the community to participate in the region's economic development. Assistance will include, but not be limited to: electrification, housing, attention to victims and vulnerable populations, tertiary

roads, water and sanitation, irrigation, basic telecommunications, health, education, and community infrastructure.

Other efforts within this strategic framework and this program will include the development of incentive-based awards for good governance and institutional development for public and private entities in the targeted zones as a way to encourage these qualities and promote consultative, inclusive development. Further, USAID will work with the GOC to strengthen the Fusion Centers to be established in each zone to coordinate Colombian efforts in alternative development, attention to vulnerable populations (including, but not limited to, displaced, victims and demobilized), consolidation, and counter-narcotics efforts in the targeted zones.

Outside of the rubric of the program proposed in this concept paper, the implementers will be expected to complement and coordinate with other initiatives that USAID will undertake during the same time period. For example, USAID will design a robust public policy program that will support a joint GOC and USG policy, legal, and institutional reform agenda across all technical areas. Also, USAID will contract separately a nationwide counter-narcotics outreach/communications program intended to reverse the “culture of illegality” in Colombia’s rural areas, which will further support the proposed program’s objectives. Third, the proposed program will coordinate closely with the existing ongoing USAID-funded Protected Areas Program implemented by ARD, Inc. and the Fondo Patrimonial Natural. Lastly, implementers will support the objectives of a possible private sector-financed tertiary roads construction program, which will enhance the effectiveness of the consolidation program.

IV. Mechanism, Size, and Duration

USAID/Colombia will invite all eligible and interested parties to participate in full-and-open competitions for the right to implement this new approach. The Mission intends to award performance-based mechanisms (i.e. cost-plus-award-fee contracts and assistance agreements to Colombian, American, and Public International Organizations). Each organization will lead consortia or networks, preferably made up of Colombian entities, to provide the needed skills and systems required for results achievement. The process will result in awards during 2009-2010. USAID/Colombia envisions a total combined ceiling of all awards of no less than \$500 million but no more than \$800 million. The maximum life of the base period of any resulting agreement will be five years.

Mechanisms to cover CSDI Regions:

USAID will award five (5) contracts or assistance agreements for implementation of activities in each of the five zones. These mechanisms will be awarded during 2009-2010 and will initiate regionally focused, integrated interventions to improve licit economic opportunities, local governance and local services delivery, including services for diverse vulnerable populations. Implementers will create teams of primarily local partners — hereafter referred to as consortia — to match the needs of each region. Consortia will be no deeper than two levels (i.e. leader will utilize grants-under-contract or sub-contracts directly with on-the-ground implementers). Implementers will be able to choose from a shared universe of Colombian organizations not bound by exclusivity agreements to ensure that the best Colombian talent is available and utilized for any given activity. All implementers will be required to use a common administrative, monitoring and evaluation (M&E), and results reporting systems. They will be required to coordinate public outreach efforts.

The new mechanisms will be predicated on the following guiding principles:

- Leadership and implementation efforts will be based in the regions, not in Bogotá

- Colombians and Colombian organizations will lead or co-lead; they will be the face of the program
- USAID efforts will follow GOC leadership, meaning that the level of effort, resources, coordination, and technical direction from USAID will be directly proportional to the level of GOC “whole-of-government” commitment made to a particular region
- Implementation must maintain flexibility and the ability to respond quickly to rapidly changing circumstances or developments
- Partners will develop detailed regional expertise across multiple technical areas
- Partners will be expected to build in the capacity to expand geographically and technically as appropriate within a given zone
- All efforts will result in development or strengthening of Colombian organizations that will have the technical and administrative capacity to replace international partners in the zones mid-way during implementation

Additional Mechanisms

USAID expects to also make the following three additional awards:

- One (1) assistance agreement or contract for implementation of complementary initiatives: USAID will make one award to focus on more traditional economic development activities in non-CSDI regions and to manage special initiatives for the Mission. This mechanism may continue current USAID assistance to existing projects, continue assistance to “holdover” activities from previous projects, continue/start activities under the Productive Ethnic Territories (TEP) initiative, and start other new programming in areas outside of CSDI regions to address issues related to the balloon effect.
- One (1) local agreement or contract for the monitoring and evaluation of activities: USAID will award one local contract to coordinate, track, and monitor USAID’s diverse livelihoods activities. The implementer will work closely with all five CSDI regional implementers’ and the complementary initiative implementer’s M&E efforts to coordinate an all-inclusive picture of USAID programming. In addition, the implementer will develop a comprehensive approach to monitoring and evaluating progress towards the ‘tipping point’ (as previously described in the Program Concept section). Finally, the implementer will function as an independent monitoring and evaluation partner, and assist GOC monitoring and evaluation efforts.
- One (1) award for implementation of nationwide cross-cutting policy activities: USAID will award one contract to a local or international organization with Colombian leadership and staff to function as a rapid response policy implementer. The implementer will work on complementary policy issues that emanate from CSDI regions, other special initiatives, and other USAID/Colombia programs. Policy issues will include, but will not be limited to land, access to finance, labor, displaced persons, and competitiveness.

V. Contractor Management

Competitive bids will include multiple organizations with a strong reliance on and emphasis on capacity building of Colombian organizations. Proposed partners will add substantial value to meeting the objectives of the program. Inclusion of and leadership by Colombian individuals and entities will be regarded favorably during the bidding process. When possible and as appropriate, local organizations will be the primary implementer and/or given a position of co-leadership. Implementation by and organizational development of grassroots and local organizations will be favorably received. As with past and current programming, reliance on

expatriate labor is relatively less valued by USAID/Colombia. Awards will be issued to consortia as GOC commitments and USAID funding become available. Awards for regional implementation will have a value of \$20-50 million per agreement, depending on the geographic, technical, and/or sequencing characteristics of a particular effort. To manage the proposed program, USAID will require that implementers base their operations in the targeted area; administrative and technical operations will not be based in Bogota, although the implementing consortia may choose to have a small representative presence there. Exceptions to this will apply to those implementers managing nationwide sectoral activities. USAID will also require that implementers use common administration and monitoring and evaluation systems, and coordinate outreach efforts. Lastly, USAID is considering not permitting firms, organizations, or consortia to require that local firms, organizations, or consortia sign exclusivity agreements that would limit their participation in any of these mechanisms.

VI. Request for Comments and Critiques

USAID invites all interested parties to submit comments and critiques of this program concept to USAID no later than May 7, 2009. USAID will not respond to the submitted comments nor will questions be answered. Please submit comments and suggestions to the following point of contact at USAID/Colombia:

Mr. Adam Cox, Contracting Officer
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Unit 5101
APO, AA 34038

Alternate Point of Contact:

Mr. Omar Trigo, Senior Acquisition & Assistance Specialist

Or by email at acox@usaid.gov or otrigo@usaid.gov

Clearance Page:

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