



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

Programa MIDAS
Más Inversión para el Desarrollo Alternativo Sostenible

FINAL REPORT

CONTRACT NO. 514-C-00-06-00301-00



MARCH 2011

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech ARD.



MÁS INVERSIÓN PARA EL DESARROLLO ALTERNATIVO SOSTENIBLE

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Contract No. 514-C-00-06-00301-00

ARD Contacts:

Luis Yesid Sandoval Brito, Chief of Party
Tara Simpson, Senior Technical Advisor/Manager
159 Bank Street, Suite 300
P.O. Box 1397
Burlington, VT 05402
Tel: (802) 658-3890
Email: YSandoval@adam.org.co and tsimpson@ardinc.com

MARCH 2011

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TABLE OF CONTENTS

Executive Summary	1
Chapter 1. Introduction	3
Chapter 2. MIDAS Model and Impact.....	7
Chapter 3. Communication and Outreach.....	13
Chapter 4. Linking Farmers to Key Value Chains.....	17
Chapter 5. Facilitating Private Sector Growth	25
Chapter 6. Strengthening Communities and Vulnerable Populations.....	33
Chapter 7. Fostering an Enabling Environment.....	39
Chapter 8. Lessons Learned.....	45

Annexes – CD ROM

- I. Maps of MIDAS projects by Region**
- II. Component Summaries**
- III. Chart of all MIDAS Activities by Component**
- IV. Target Crop Hectares by Department**
- V. Mid-Term Evaluation**



EXECUTIVE SUMMARY

The More Investment for Sustainable Alternative Development (MIDAS) Program (*Más Inversión Para el Desarrollo Alternativo Sostenible*) operated from 2006-2011 through a model which utilized public and private sector alliances combined with targeted sectoral technical assistance and training to create a tipping point for achieving tangible long-term benefits and transforming livelihoods in Colombia's post-conflict regions. Working in close coordination with the Government of Colombia (GOC) and Acción Social, MIDAS fostered viable alternatives to coca production and laid the foundation for long-term growth, stability and competitiveness of the licit economy in Colombia.

USAID's US \$180 million MIDAS investment resulted in a range of tangible impacts, including US \$571 million leveraged from the public and private sectors, 287,812 families benefited, 164,716 new hectares of competitive and sustainable crops planted and over 260,000 jobs created. An independent evaluation in 2009 showed MIDAS beneficiaries had a 33.5% improvement in their quality of life over non-beneficiaries as well as increased capacity to reject illicit activities with confidence in viable alternatives. The numerous Spanish and English materials produced through MIDAS are captured in an innovative and interactive online knowledge management tool at www.midas.org.co.

MIDAS focused on demand-driven, community-centered approaches which strengthened social capital and fostered sustainable licit livelihoods. MIDAS worked with a diverse pool of beneficiaries and partners, including farmers, agribusinesses, local governments, entrepreneurs and small/medium enterprises (SMEs), as well as national-level policymakers. The program was also active working with vulnerable populations, including Afro Colombians, indigenous, women, youth and the internally displaced. Operating in areas either in or close to coca production zones to have maximum impact, MIDAS collaborated with and strengthened over 560 organizations during the program period.

Over 550 projects were implemented through the MIDAS component structure, comprising Agribusiness (ABC), Commercial Forestry/Natural Forest Conservation (CFC), Small and Medium Enterprises (PYME), Public Policy Support (MPC) and Productive Ethnic Territories (TEP). Efforts concentrated on improving production and marketing of key alternative crops and integrating farmers into value chains, stimulating jobs in profitable and competitive enterprises through the MIDAS Project and Service Provider network approach, expanding credit services and outreach into rural Colombia and support the GOC in high-level reforms targeting the agriculture and land sectors as well as the country's overall competitiveness.



CHAPTER I.

INTRODUCTION

In 2006, the United States Agency for International Development (USAID) Mission in Colombia began implementing the five-year, US \$180 million More Investment for Sustainable Alternative Development (MIDAS) Program (*Más Inversión Para el Desarrollo Alternativo Sostenible*). The program was organized around five components: Agribusiness (ABC), Commercial Forestry/Natural Forest Conservation (CFC), Small and Medium Enterprises (PYME), Public Policy Support (MPC) and Productive Ethnic Territories (TEP). At its peak, MIDAS operated with 180¹ staff members, through 561² organizations, in the Colombian corridors of Antioquia, Atlantic coast/Sierra Nevada, Eje Cafetero, Macizo/Putumayo, Magdalena Medio and the South West.

This final report details the broad accomplishments of MIDAS not by component but rather by major areas of intervention and impact given the integrated nature of the program. This report addresses the original contract life of program (2006-2010) and does not target the extension period, which will take the program to September 2011. MIDAS has also produced an online and hard copy compendium, which provides access to all program materials in English and Spanish to compliment this report, as shown in Chapter 3.

GOALS AND ACCOMPLISHMENTS

The ultimate goal of MIDAS was to create viable alternatives to coca production and thus reduce the amount of coca produced in Colombia while facilitating stable, profitable and licit rural livelihoods. To reach this goal, MIDAS promoted and enhanced the political, economic and social landscape through targeted assistance for inclusive private sector growth and responsive public sector engagement. In creating this environment, MIDAS targeted farmers, vulnerable populations, local governments, entrepreneurs and small/medium enterprises (SMEs) as well as national-level policymakers. The cornerstone of MIDAS' efforts centered on USAID's support to the Government of Colombia's (GOC's) Plan Colombia and its shift from military interventions to alternative development (AD) for coca reduction.

MIDAS INDICATOR ACHIEVEMENTS

- **New Hectares:** 164,716 (96.5%)
- **Natural Forrest Hectares:** 114,051 (113%)
- **Families Benefited:** 287,812 (190%)
- **New Jobs:** 260,364 (147%)

¹ Excluding consultants and short-term technical assistance.

² Excluding organizations supported by the MPC component.

The results achieved under MIDAS went beyond those envisioned and had a significant impact on laying the foundation for long-term growth, stability and competitiveness of the licit economy in Colombia. MIDAS successfully benefited more than 500,000 Colombians through the creation of hundreds of thousands of new jobs and development of skills and resources to remain viable. Farmers benefited from planting material, group strengthening and production knowledge, resulting in 164,716 new hectares with high market potential and low environmental impact.

ORGANIZATION AND LEADERSHIP

MIDAS was able to achieve significant levels of productivity and impact through a highly skilled, organized and efficient team operating in six regional offices across Colombia. Key to MIDAS' operational approach was Colombian

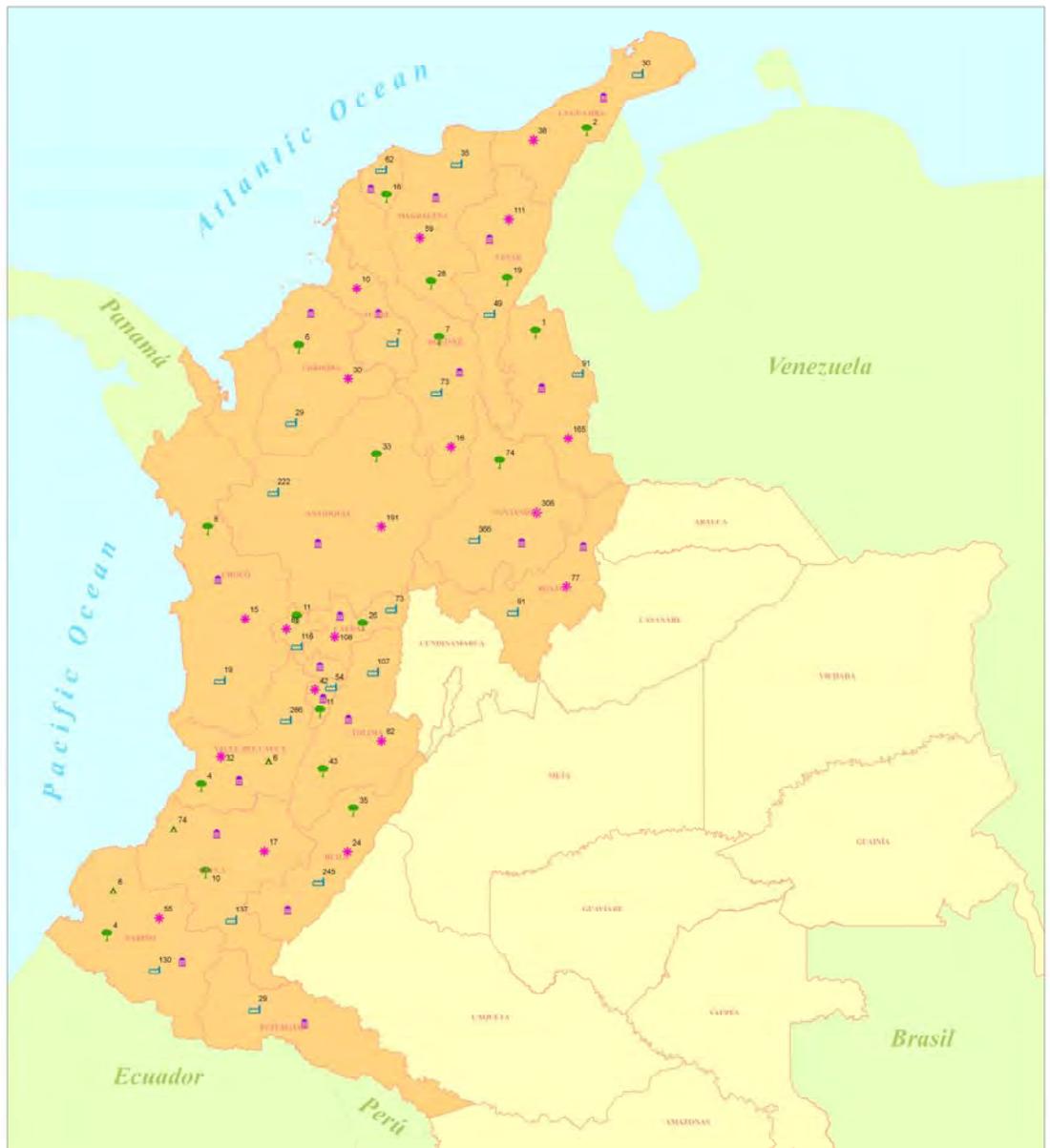
leadership and management of activities. Ninety-eight percent of MIDAS staff was Colombian and Colombians held senior positions with only the Chief of Party as an expatriate. This approach allowed for an unprecedented commitment to and passion for program activities and their capacity to effect change in Colombia.

The MIDAS staff and leadership were able to achieve a scale and scope of activities that was significant. Organized and managed through the MIDAS component structure, over 550 projects were undertaken during the program throughout Colombia. Table I shows the breakdown of the number and types of projects across MIDAS' components. In Figure I, the program and field office locations in Colombia are shown; regional activity maps are located in Annex I. MIDAS' areas of operations are of key strategic importance to the GOC, and MIDAS focused on areas either in, or close to, coca production zones to have maximum impact.

Table I. MIDAS Project Details by Component

Component	Locations by Department	Projects	Major Areas of Focus
ABC	Antioquia, Bolívar, Boyacá, Caldas, Casanare, Cauca, Cesar, Chocó, Córdoba, Huila, La Guajira, Magdalena, Meta, Nariño, Norte de Santander, Quindío, Risaralda, Santander, Sucre, Tolima, Valle del Cauca	55	<ul style="list-style-type: none"> • Production and marketing assistance with cacao, oil palm, specialty coffee and other horticulture and fiber crops • Producer group strengthening • Sustainable agriculture practices • Seedling provision
TEP	Cauca, Nariño, Valle del Cauca	12	<ul style="list-style-type: none"> • Community development • Production and marketing of cacao • Natural forest management • Forestry plantations
PYME	Antioquia, Atlántico, Bolívar, Boyacá, Cauca, Cesar, Chocó, Córdoba, Huila, Magdalena, Nariño, Norte de Santander, Putumayo, Quindío, Risaralda, Santander Tolima, Valle del Cauca	471	<ul style="list-style-type: none"> • Employment generation • Institutional strengthening • Entrepreneurship • Market development for target crops
CFC	Antioquia, Atlántico, Bolívar, Caldas, Cauca, Cesar, Chocó, Córdoba, Huila, La Guajira, Magdalena, Nariño, Norte de Santander, Quindío, Risaralda, Santander, Tolima, Valle del Cauca	31	<ul style="list-style-type: none"> • Forestry plantation establishment • Reforestation and land management • Production and marketing support with rubber and hardwood trees • Natural forest management and conservation
MPC	National, Cesar, La Guajira, Santander	NA	<ul style="list-style-type: none"> • Policy formulation • Microfinance program • Regional competitiveness program • Land formalization and restitution

Figure I. Map of Colombia



 USAID Programa MIDAS <small>DEL PUEBLO DE LOS ESTADOS UNIDOS DE AMÉRICA</small> <small>Plus inversión para el Desarrollo Alternativo Sostenible</small>	<p>Legend</p> <ul style="list-style-type: none"> ★ Agribusiness - 55 🌳 Commercial Forestry - 29 ◻ SME - 47 ▲ Productive Ethnic Territories - 12 Policy (Microfinance / Competitive Regions) Departamental Boundaries MIDAS Departments
<p>MIDAS In Colombia Component Interventions</p>	



General Ubication



CHAPTER 2.

MIDAS MODEL AND IMPACT

MIDAS MODEL

The MIDAS model, as shown in Figure 2, utilizes public and private sector alliances combined with targeted sectoral technical assistance and training to create a tipping point to achieve tangible long-term benefits and transform livelihoods in Colombia's post-conflict regions.

MIDAS has concentrated on targeting a self-selecting, demand-driven model for beneficiary engagement. The majority of program beneficiaries were rural inhabitants, representing households living 26% above the indigence line or 45% below the poverty line.

Technical assistance and training was undertaken through identified licit sectors with high potential for sustainability, profitability and productivity in areas either prone or vulnerable to illicit crop production. While organized by components, MIDAS relied on an integrated approach which increased the program's capacity to effectively target complex rural development issues in vulnerable areas.

PARTNERSHIPS AND LEVERAGING

Key to the MIDAS model and its success is the importance paid to partnerships and the leveraging of resources. MIDAS solicited and attracted a range of interested beneficiaries and partners, from producers, farmer associations, local organizations, businesses, financial institutions, local and national government, in

addition to international organizations and donors. Focusing on strategic alliances, MIDAS aimed to increase regional development and overall competitiveness.

LEVERAGING

MIDAS successfully leveraged \$571 million from the public (8%) and private (92%) sectors. Figure 3 shows the breakdown of funds leveraged from the private and public sectors. This leveraging was significant not only in creating multiplier effects from USAID's \$85 million in project funding but also increasing the sustainability of activities through beneficiary and GOC buy-in. This leveraging highlights the value Colombians place on MIDAS's efforts and their commitment to fostering change within Colombia.

Figure 2. MIDAS Model Diagram

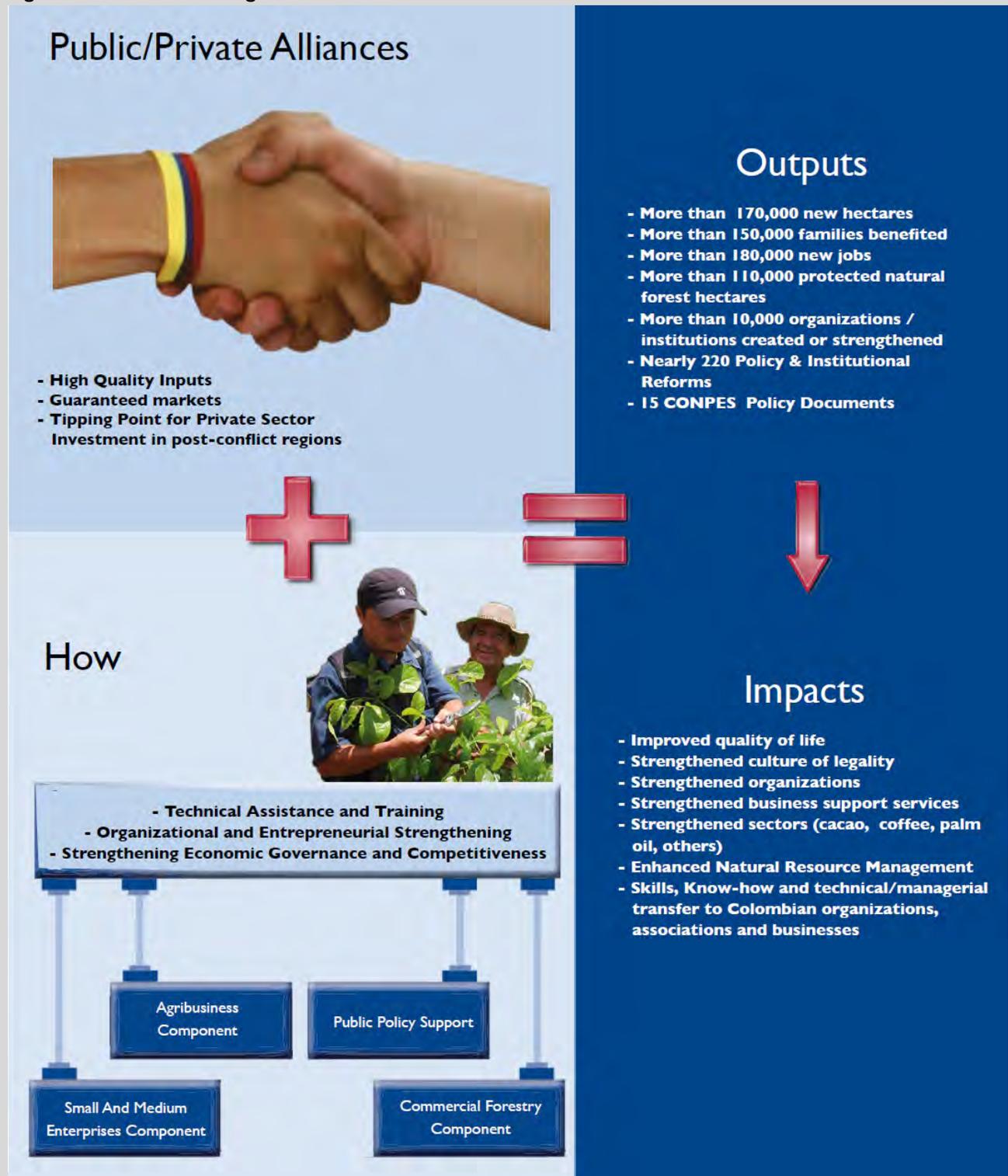
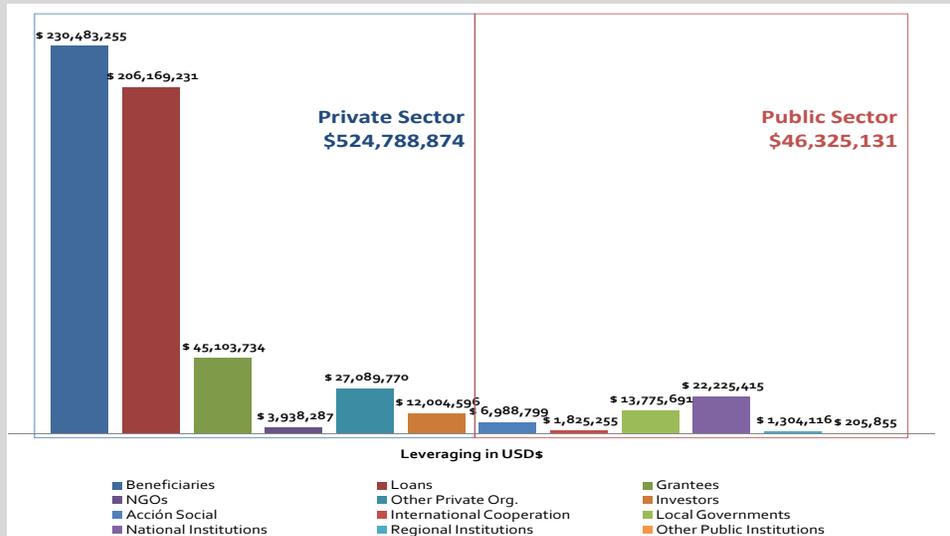


Figure 3. Private and Public Sector Leveraging



GOC AS A KEY PARTNER

MIDAS activities were implemented in close coordination with the GOC and its main institution for AD, Acción Social. Acción Social was an active and significant collaborator with MIDAS, providing US \$6.47 million through three agreements to expand program activities. These agreements represent a very important step in USAID-GOC coordination, given that it is the first time a USAID program has operated such significant GOC resources through cooperative agreements.

MIDAS Partnership Achievements

- 47 Contracts/Grants with Colombian NGOs and foundations
- 339 Contracts/ Grants to Colombian businesses
- 119 Grants to small organizations/associations

PARTNERSHIPS

Partnerships under MIDAS also came through the numerous grants and subcontracts provided to Colombian firms. These organizations were critical in achieving the scope and impact of MIDAS. Colombian leadership of MIDAS not only came through program staff but also the Colombian organizations implementing highly successful projects.

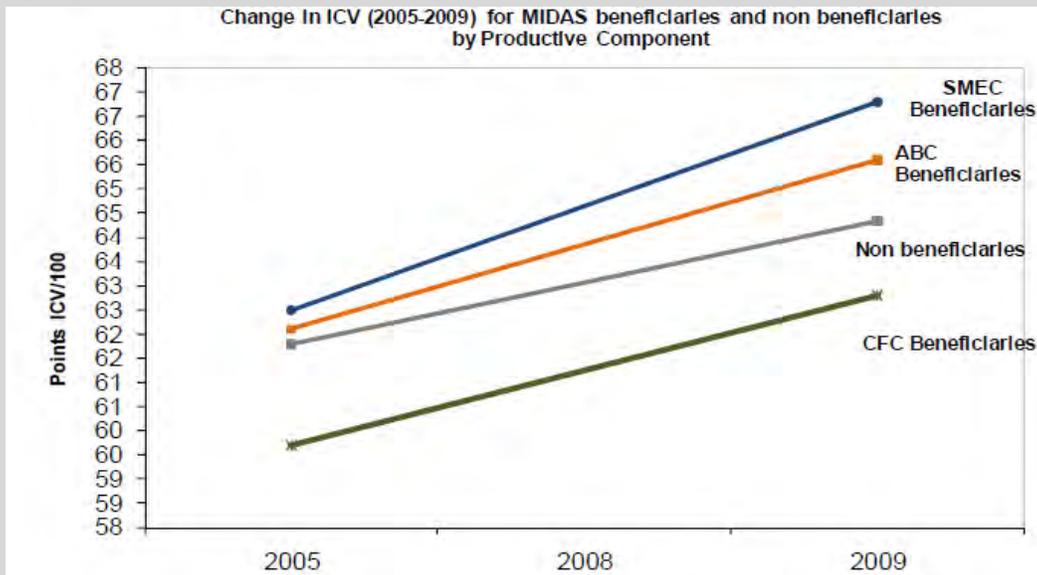
EVALUATING PROGRAM IMPACT

In 2009, during the third year of the program, an independent evaluation was conducted to review MIDAS' intermediate results and impact. This evaluation was significant in demonstrating MIDAS was on track for achieving results as well as signifying USAID's first evaluation of AD programming. The full 270-page report and detailed Executive Summary are provided in Annex 5.

The evaluation was conducted through household-level surveys of both MIDAS beneficiaries and non-beneficiaries. Questions concentrated on changes in Sustainable Living Means, which include five forms of capital: human, physical, social, natural resource and economic. Human and physical capital were determined through the GOC's Life Conditions Index (ICV) which measures structural poverty.

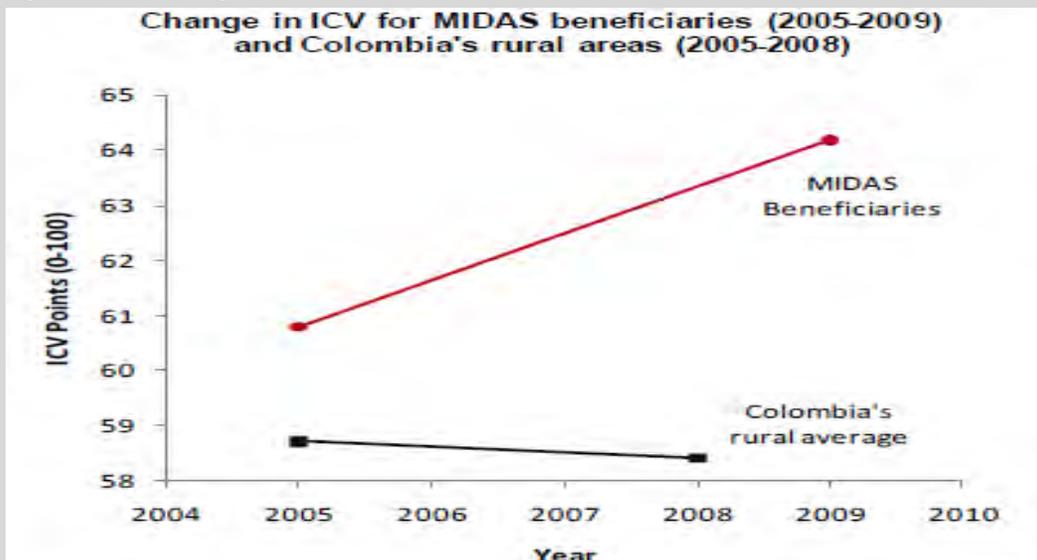
Evaluation findings showed that MIDAS beneficiaries had a 33.5% improvement in their quality of life over non-beneficiaries. As shown in Figure 4, significant positive ICV shifts were recorded in each of MIDAS' productive components. Figure 5 shows MIDAS' livelihood improvements whereas non-participants experienced declines during the same time period.

Figure 4. ICV Changes by MIDAS Components



Source: Econometría-SEI. MIDAS Midterm assessment, 2009.

Figure 5. ICV Changes: MIDAS and Non-Beneficiaries



Source: Econometría-SEI. MIDAS program Midterm assessment, 2009.

Other important findings were that training programs led to livelihood improvements, and beneficiaries had a more positive outlook on long-term livelihood prospects and sustainability. In addition, MIDAS' work to develop communities and producer groups was

successful in raising individual perceptions of association and collaboration. Ultimately, the evaluation showed that not only did program beneficiaries have improvements in their quality of life but also in their capacity to reject illicit activities with confidence in viable alternatives.



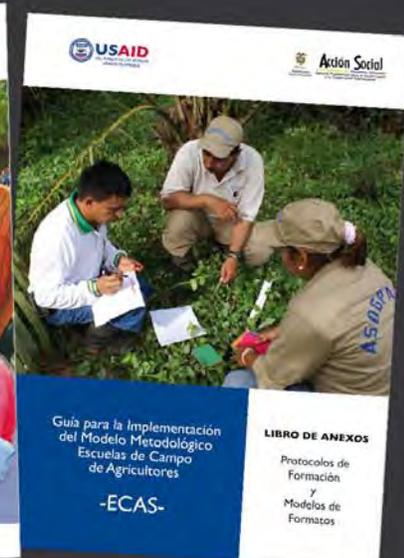
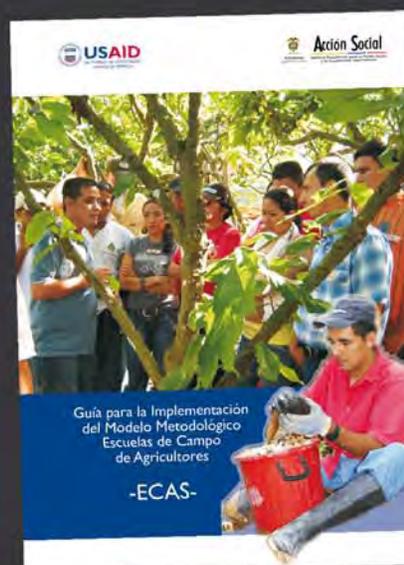
The MIDAS evaluation showed program beneficiaries with consistent and statistically significant positive impacts and intermediate results based on program efforts—considerable findings during MIDAS' third year in addition to its emphasis on long-term crops.



Media Outreach Campaign promoting the USAID mission, US Embassy and Accion Social; recognition of the USAID brand doubled in 6 months and 33% of the population (13.6 million) saw the commercials 7 times receiving key AD messaging.



Alternative Development Poster/ Calendar created and distributed individually to 250,000 rural Colombian families as an educational piece explaining what is AD in Colombia.



The first ever Spanish language Farmer Field School guide and its workbook was authored and published through MIDAS for the purpose of training of trainers in this highly effective rural agricultural capacity building methodology.

CHAPTER 3.

COMMUNICATION AND

OUTREACH

PROGRAM PROMOTION

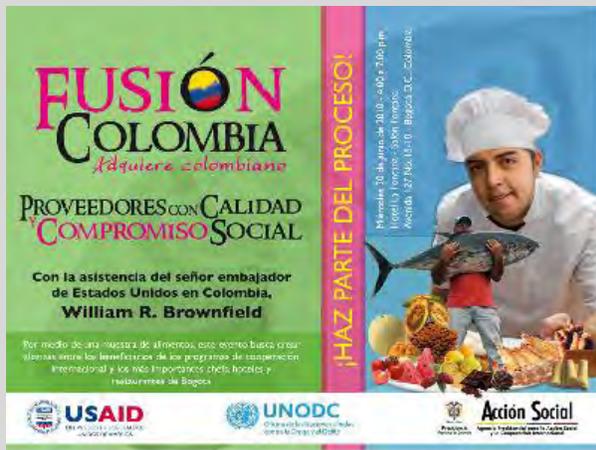
The breadth and scope of MIDAS required a communications and outreach approach that was flexible, adaptive, targeted and appropriate for a range of audiences. Distinct messages and information to various audiences was required, from detailed technical materials to broader program messaging. Activities to promote MIDAS included, but were not limited to:

- A first ever countrywide media campaign was designed, produced and launched, resulting in 70.4% of the rural Colombian population having a very favorable or favorable impression of USAID, US Embassy and Acción Social.
- Two hundred and eight local, regional, national and international events and visits were organized to promote MIDAS' efforts in areas such as rubber, cacao, specialty coffee, oil palm, natural forestry conservation, public policy advancement, vulnerable populations, regional competitiveness, etc.

COLLABORATION WITH ACCIÓN SOCIAL

A key feature of MIDAS was the program's close coordination with Acción Social on virtually every activity. This coordination ranged from project implementation to the development of studies and workshops targeting efforts such as increasing producer skills in cacao, palm and honey productive chains, and strengthening Afro and indigenous Colombian populations.

MIDAS produced around 25 videos that summarized Acción Social/MIDAS projects that were then broadcast on the national public television channel. In addition, Acción Social utilized and expanded the outreach of program publications, including funding a second edition of the Farmer Field School (FFS) Manual, which they found highly effective. Press releases, educational materials and the media campaign were equally inclusive in promoting the GOC through Acción Social's logo and/or active participation.



TRAINING AND OUTREACH

MIDAS was active in formulating training programs to build capacities among farmers, producer organizations and SMEs. In total, over 1,000 different types of training activities occurred during the program. The MIDAS approach to capacity building relied heavily on FFS, training of trainers (TOT) and workshops to actively engage participants and create multiplier effects throughout communities. Targeted training materials and participatory approaches were developed throughout the program. In addition to training materials, a wide range of publications including manuals, reports, videos and conference materials were produced under MIDAS. Table 2 details the key documents produced under each component as well as the overall MIDAS program.

A particularly special event was *Fusion Colombia*—a joint effort with Acción Social, United Nations Office on Drugs and Crime (UNODC) and MIDAS—where small producer associations came to Bogota for a product fair to meet with chefs and restaurant, hotel and club owners to make commercial supply chain contacts. Acción Social is looking to make this an annual event.



“I thought it was just one more boring training session, but it was really effective. It’s all about sharing knowledge and learning from others’ experiences,” reported participant Luis Alejandro Perez.

Table 2. Major MIDAS Publications

<p>General</p> <ul style="list-style-type: none"> • USAID/Accion Social/ US Embassy Media Campaign • Good Environmental Practices Manual • MIDAS Midterm Assessment • Overview on Agricultural and Forestry Competitiveness in Colombia • MIDAS and Alternative Development in Colombia Working Paper • Alternative Development Poster • infoMIDAS Quarterly print and online Magazine 	<p>Agribusiness Component (ABC)</p> <ul style="list-style-type: none"> • ICO Book, Index of Organizational Capacity • Farmer Field School Manuals and Protocols • Cacao Manuals for side-grafting, pruning and crop maintenance
<p>Policy Component (MPC)</p> <ul style="list-style-type: none"> • Branchless Bank Guide for Commercial Banks to Implement Rural Micro-Credit Model • Best Agricultural Practices Management Manual/Best Cattle Practices Management Manual • Land Formalization Poster and Booklet • Newsletter “Land Restitution is possible in Colombia” 	<p>Small & Medium Enterprise Component (PYME)</p> <ul style="list-style-type: none"> • Stories of Prosperity (book) • Virtual Books: Lessons for a Legacy; Facing the Challenge; and The Fruit of Experience - How To • 33 short videos summarizing implementation and impact of projects (many in collaboration with Acción Social)
<p>Commercial Forestry Component (CFC)</p> <ul style="list-style-type: none"> • Proceedings of the International Natural Rubber Convention • Forestry Plantation Cost Patterns • Agroforestry Systems 	<p>Productive Ethnic Territories (TEP)</p> <ul style="list-style-type: none"> • 10 minute video with English subtitles • TEP Initiative Presentation Brochure for Washington officials in English/Spanish

PROGRAM MATERIALS AND COMPENDIUM

As shown in Figure 6, MIDAS created an innovative and interactive online knowledge management tool to offer users an in-depth understanding of MIDAS in a visually impacting manner. Located at www.midas.org.co, the compendium is a repository of all the valuable materials produced in English and Spanish under the program and includes a search tool to facilitate easy access to the material contained on the site. The MIDAS compendium, which compliments this final report, is available online through 2015 and a hard drive version of the site has been supplied to key stakeholders.

Figure 6. Snapshot of MIDAS Online Compendium





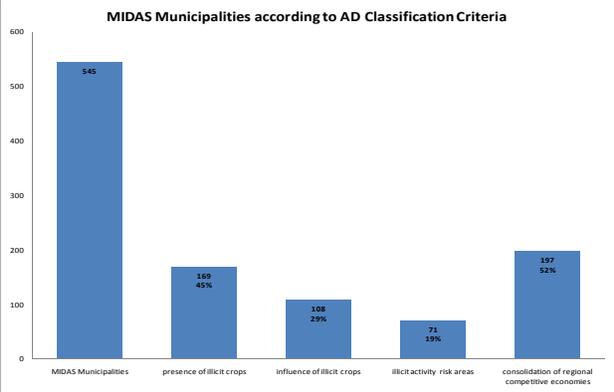
CHAPTER 4. LINKING FARMERS TO KEY VALUE CHAINS

Key Implementing Partners

- Fedecacao- cacao
- Federación Nacional de Cafeteros - coffee
- Asociación Municipios de Ocaña – cacao
- Asocati – cacao
- Codesarrollo - horticulture
- Procaucho – rubber
- Confederación Cauchera Colombiana - rubber
- Fedepalma - palm

Estimates at the start of the MIDAS program were that farmers could earn a daily wage of US \$20 from coca cultivation in Colombia. This presented a significant obstacle to the GOC and MIDAS when crops such as coffee, rubber and cocoa were bringing in only US \$7.50-10. In addition, the program was faced with a coca production prevalence rate of 45% in the 545 municipalities where it worked, as detailed in Figure 7.

Figure 7. MIDAS Municipality AD Classifications



These factors combined with the Zero-Coca Protocol, constituting a zero tolerance for coca growers with penalty of assistance retraction, required a widespread yet targeted approach to promoting alternative crops.

THE MIDAS APPROACH

Given these dynamics, MIDAS used four principles to determine support based on the type of project and its location with the goal of preventing the expansion of illicit crops.

1. Support feasibly licit production for small growers in regions that are and/or have been involved in illicit economic activities.
2. Consolidate licit, sustainable livelihoods for small growers through value chain expansion and integration in vulnerable areas.
3. Promote expansion of productive and sustainable formal economy small enterprises in areas at risk of illicit activities.
4. Promote the consolidation of regional, economies to enable a culture of legality through legal, formal and sustainable occupations.

MIDAS targeted farmers vulnerable to pressures from coca income and illegal armed groups, and centered on improving production of key alternative crops, strengthening capacities to profitably manage agriculture activities and integrating farmers into value chains from production to consumption. In addition, MIDAS successfully maintained over 270,000 hectares free of illicit crops by actively engaging with beneficiaries and obtaining their commitment to keep land free of coca prior to project implementation.

Critical in this process was ensuring alternative crops were viable for farmers and agribusinesses. As discussed in the following chapter, the producer-private sector alliances under MIDAS are the foundation for market stability, long-term economic growth and the crowding out of coca production in vulnerable areas.

MIDAS largely targeted long-term crops set as priorities by the GOC, such as cocoa, specialty coffee, rubber, coconut and oil palm; however, silvipasture, hot pepper, berry and fique crops were also supported to a lesser extent. While the target crops have longer establishment periods and require specialized technical assistance for high productivity and crop quality, MIDAS found they held the greatest potential for farmers given market opportunities, farmer capacities and

ecosystem compatibilities, and generated long-term employment. Through a program concentration on smallholders, with landholdings of 3-5 hectares on average and 10 hectares for palm farmers, these crops were also targeted for their profitability potential for small landholders.

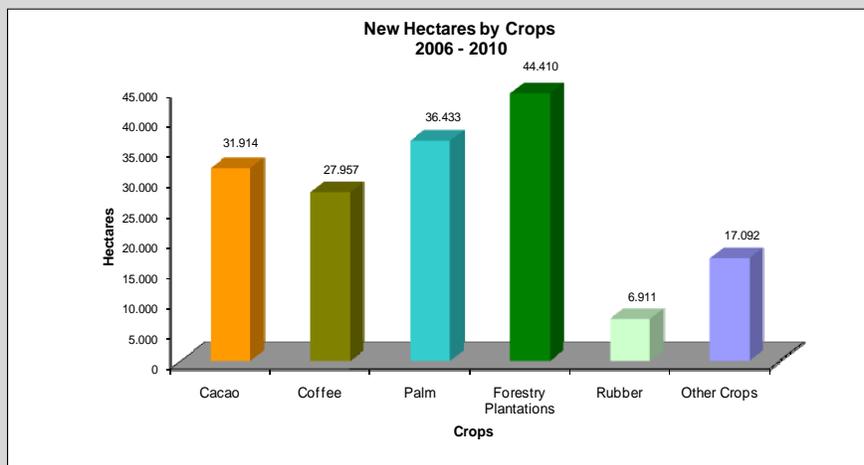
EXPANDING HECTARES

Farmer constraints to alternative crop production were largely tied to degradation of existing crops, lack of finance and limited production knowledge. In addition, inadequate or nonexistent high-quality planting material was found to be a key barrier for farmers to engage in target value chains. To address these constraints, MIDAS undertook a multifaceted approach, starting with nursery production of target crop seedlings; installation of seedlings onto beneficiary plots; and specialized technical assistance through FFS, forums, accountability and follow-up sessions.

MIDAS was active throughout the planning, planting, maintenance and harvest periods, building producer skills and networks at each stage for improved management, production and profits.

As shown in Figure 8, this process was successful in dramatically increasing the number of new hectares in cacao, palm, forestry plantations, rubber and coffee by 147,000.

Figure 8. Total Hectare Establishment



SUCCESS STORY

High Hopes for Cacao Farmers



Finding new economic opportunities in certain rural areas of Colombia, where various illegal groups have ruled the land for years, is no easy task. Cordoba, a Northern Colombian state, is no exception.

The work of forest ranger families, a relatively new profession in Colombia, has become an important pillar in the country's effort to keep wide areas free of illicit crops, while conserving forests and protecting the environment. Aware of the potential effect of this activity, USAID's MIDAS program supports this GOC initiative, which has been creating possibilities in alternative development since its inception in 2003.

With a focus on generating productive, sustainable economic opportunities, ranger families in Cordoba have found a way to improve their living conditions. With the support of MIDAS and in cooperation with Acción Social, they are planting 1,107 hectares of cocoa in the municipalities of Valencia and Tierralta.

Cocoa farming is an attractive option for these 369 families, who find it complements their other activities and production of subsistence crops. "Life is totally different now," says Ana Gladis Baron, a project beneficiary.

Given that cocoa is a resource with enormous potential, the project seeks to increase crop coverage in an area with high productivity with improved grain quality, allowing ranger families to enter the industry's value chain.

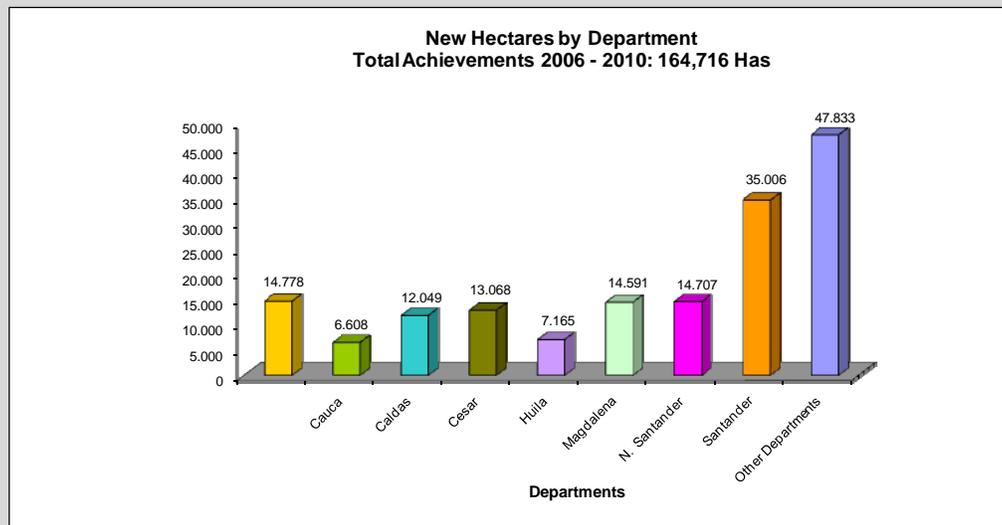
The project also provides assistance with the cocoa marketing and strengthening growers' associations. As Ana Gladis explains, the lessons provided through this technical assistance are very useful because in addition to teaching practical tips, they facilitate interactive communication among participants, and better community relations.

The project's achievements have been outstanding, exceeding the number of ranger families trained goal by 186% and creating 334 new jobs in the region. In addition, the families provided their own capital contribution for the project of over \$783 million (approximately US \$412,000) from their collective savings funds, which along with their labor, covers 77% of the total cost.

At the departmental level, as shown in Figure 9, Santander showed the greatest hectare increase, with new cacao, palm, rubber and forestry plantations. The Departments of Antioquia and Norte de Santander also had significant growth.

These departmental hectare increases have a positive impact on regional development, given their historic link to illicit economic activities.

Figure 9. Hectare Establishment by Department



IMPROVING TARGET CROP PRODUCTION

MIDAS achievements in support of cacao, African palm, coffee, forestry and rubber are highlighted below. A breakdown of new hectares of target crops by department is provided in Annex 4.

Cacao: Santander was an important cacao cluster under MIDAS. More than 13,000 hectares of improved planting material was established, representing 42% of the total cacao hectares supported by MIDAS. Improved material and intensive technical assistance is expected to increase yields from 450 kg/ha to 1,500 kg/ha. Working with farmers on grafting techniques helped provide skills to rehabilitate aging and damaged cocoa fields.

African Palm: MIDAS played a key role in the development of strategic alliances between small

growers and the private sector. Smallholder participation in a typically large farm crop increased to 15% of total hectares in Colombia. MIDAS also fostered more efficient and sustainable practices through sustainability certification of 3,500 hectares from the Rainforest Alliance as well as development of an Oil Palm Technical Protocol and '35/25 Vision' of 35 tons of fruit per 25% rate of extraction.

Coffee: Support to the coffee sector was provided mainly through the Colombian Coffee Growers Federation and its departmental committees. This intervention was important for the sector's renovation plan and specialty coffee certification. Santander and Cauca were the departments with most renovated and certified coffee hectares.

Forestry Plantations: The increased hectares of commercial forestry plantations under MIDAS

were the highest of all new crops at 27% or 44,340 hectares. In addition, the Better Management of Natural Forests design resulted in dramatic hectare increase under improved management. Smallholders were integral to the public-private alliances used to support hectare establishment and have since become active in the timber value chain and diversified incomes, which support conservation and non-timber products.

Rubber: In close coordination with Acción Social, MIDAS worked to establish new hectares and consolidate the sector through efforts in organizational strengthening and sustainability. Santander had the largest amounts of hectare establishment. In addition to plantations, processing capacities were also developed, creating a new regional industry.

EXPANDING SUSTAINABLE AGRICULTURE PRACTICES

Trainings on improved production included expanding farmer knowledge about sustainable production practices and market incentives for environmental protection. Market impacts were shown in a variety of ways, including the Rainforest Alliance certification for palm and silviculture trainings detailing improved management, income diversification and long-term potential. MIDAS also educated farmers on better production practices, deforestation and unsustainable grazing practices, compliance with USAID's Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) requirements and environmental management plans.



Through the Specialty Coffee Renewal Program in Northern Colombia, 15,000 hectares of highly marketable and competitive coffee was planted, benefiting 27,000 families.



Targeted technical assistance enabled farmers to produce high-quality products and successfully link with agribusinesses. Such alliances expanded market opportunities for farmers and businesses and long-term growth potential.

STRENGTHENING PRODUCER GROUPS

Working through producer groups was a key feature of the MIDAS approach, accounting for some 70% of program efforts. Targeting groups allowed for numerous benefits, including increased outreach and impact, strengthening of social cohesion, knowledge sharing among participants, expanded market access, increased entrepreneurial capacities and project sustainability. MIDAS worked through groups while also building their capacities for long-term viability. During the program, over 224 producer groups were strengthened. To effectively build capacities, MIDAS diagnosed 225 organizations using the Organizational Competitiveness Index (ICO). This tool assesses financial and managerial capacities, governance and member services, allowing targeted improvement plans and meaningful impacts.

ENGAGING MARKETS

Beyond improved production capacities, vertical integration between producers and markets was also a critical factor addressed through MIDAS. Market linkages and alliances with private sector marketing, processing and sales organizations was important as well as farmer education about maintaining these relationships, including honoring management, quality, consistency and planning requirements.

MIDAS continually monitored market competitiveness for target crops to provide the most flexible and appropriate assistance to farmers and agribusinesses. Using its Economic Research Service, MIDAS collected, tracked and analyzed crop and market information for cacao, palm, blackberry, coffee, aquaculture, avocado and mango crops. Regional competitiveness studies also provided useful comparisons between licit and illicit crops.

SUCCESS STORY

Certification in Best Forestry Practices in Manizales



On a damp December morning following another night of heavy rains, a group of 120 *campesinos*, most of them owners of small plots along the Chinchiná River, arrives in Manizales to receive diplomas from the MIDAS CFC. These men and women know their region needs people like them, which is why they agreed to devote 35 hours away from field work to be trained in the *Silviculture of Planted Forests*.

Paisas, as people from the region are known, typically do not like to join groups; however, they came together for the training, seeing the potential value of reforestation and diverse income sources.

Angela Matilde Arango, Director of the Association of the Chinchina River Agroforestry Growers—known as Agroforestal—found “what was amazing about this process was that the people, without being paid a peso, came on out to learn.”

The training program taught the participants how to plant different types of wood-producing trees such as pine, eucalyptus and walnut varieties. It also raised consciousness about the importance of protecting water resources. Francisco Arango, a program leader, reported “We had a coffee-growing tradition but not one of reforestation. We would plant without planning, haphazardly.” However, through the training, the value of planning and future considerations was understood.

Through the US \$218,830 project, MIDAS gave *campesinos* income-generating options to complement traditional activities such as coffee growing and cattle raising. It also supported the planting of 2,500 homogenous hectares on the outskirts of the towns in the Chinchiná River watershed. By reforesting the Chinchiná Basin, the trainees will be investing in their family’s economic future. Trainees also left appreciating timber’s potential for future income, when the wood or oxygen credits can be sold.

John Jairo Castaño and his 19-year-old son, Jonatan, see direct benefits in future job prospects and family stability. The father notes, “This is sort of like a pension for me. It’s the inheritance I am leaving to this young man and to his sisters. They’ll decide what they do with it. Of course with God’s help, I will be here to help them too.” He reflects, “... we should have been planting trees a long time ago.” To which his son replies, ‘Don’t worry, Dad. You always say it’s never too late to start.’”



CHAPTER 5. FACILITATING PRIVATE SECTOR GROWTH

Key Implementing Partners

- FOMIPYME
- JE Austin
- Gobernación del Cesar
- Gobernación de la Guajira
- Gobernación de Santander
- Gobernación de Nariño
- Programa de Alianzas Productivas MADR

Creating lasting change in rural Colombia, where the attraction of illicit activities from potential profits, pressure from armed groups and lack of alternatives is eliminated, comes from generating a tipping point. As shown through MIDAS, this tipping point occurs when farmers, businesses, lenders and local government engage to provide the complementary skills and resources to create new opportunities through jobs in profitable

enterprises with long-term competitive potential. As this process occurs, not only does the attraction of illicit activities decrease but the momentum for broad-based rural growth and development substantially increases.

MIDAS has shown that it is possible to transform Colombian rural, ex-conflict areas through private sector-led productive investment and social capital formation.



“Donde hay chontaduro, no hay hambre” – Where there is chontaduro, there is no hunger. MIDAS works with the International Center for Tropical Agriculture (CIAT) to improve the production, post-harvest handling and marketing of this nutritiously, socially and economically important Pacific coast crop.

Through MIDAS, business expansion or development has created hundreds of thousands of jobs and legal sources of income throughout regions of Colombia susceptible to illicit crops. The scale of this achievement is shown at the rural and urban levels in Figure 10. This work included creating alliances with private processor and marketing firms, leveraging large project investments and linking small farmers to businesses with whom they would not normally engage.

BUSINESS EXPANSION MODEL

The MIDAS approach to large-scale private sector growth across Colombia has been a success; not only were 160,000 jobs created in 24 months across 554 of Colombia's 1,100 municipalities but left behind were more viable

and profitable SMEs, a vast network of highly experienced and skilled service providers and area organizations capable of designing effective projects into the future. The model is now being adopted by several national and regional entities based on its success.

The SME Expansion Model, as shown in Figure 11, is a demand-driven approach focused on maximizing engagement from a range of actors to create a tipping point to crowd out illicit activities. Through the MIDAS program and service provider network approach, proposals to strengthen SMEs or producer associations were drawn from project providers, representing regional development agencies, Chambers of Commerce, NGOs, universities, foundations and domestic consulting firms.

Figure 10. New Rural and Urban Jobs Created

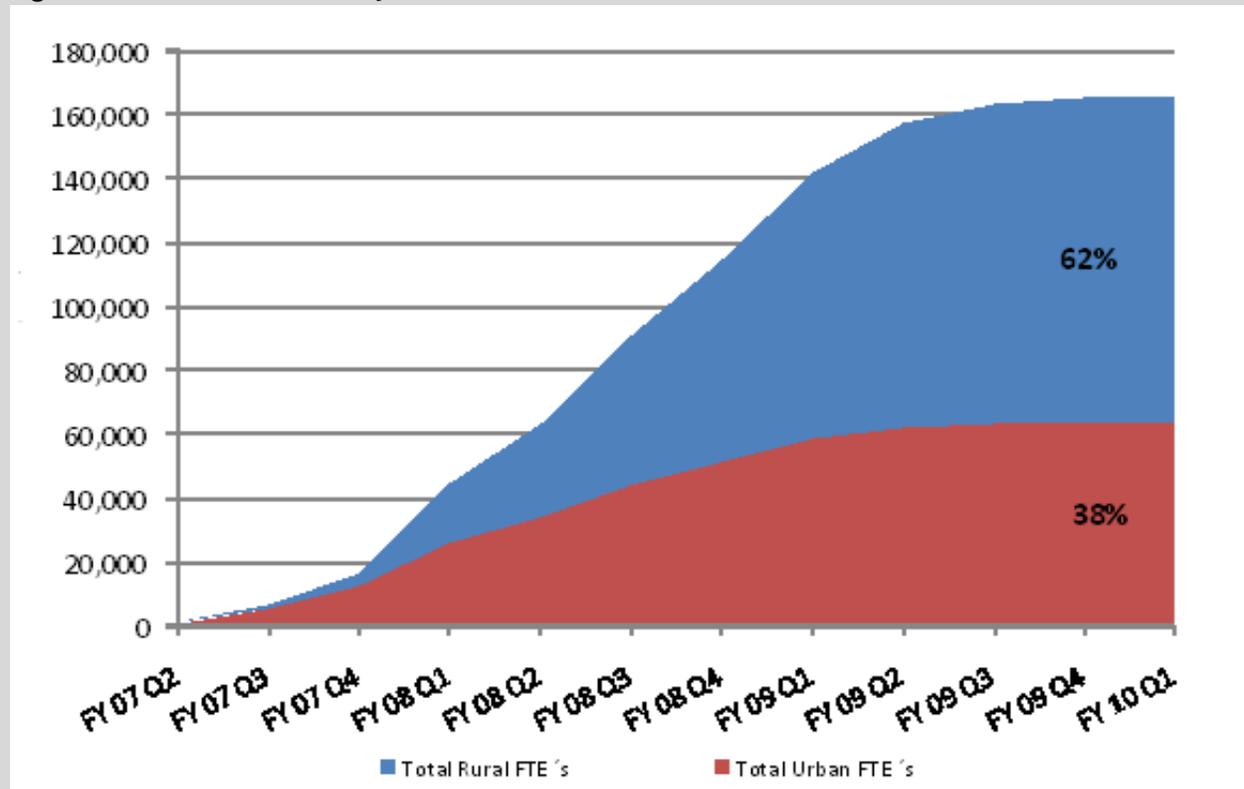
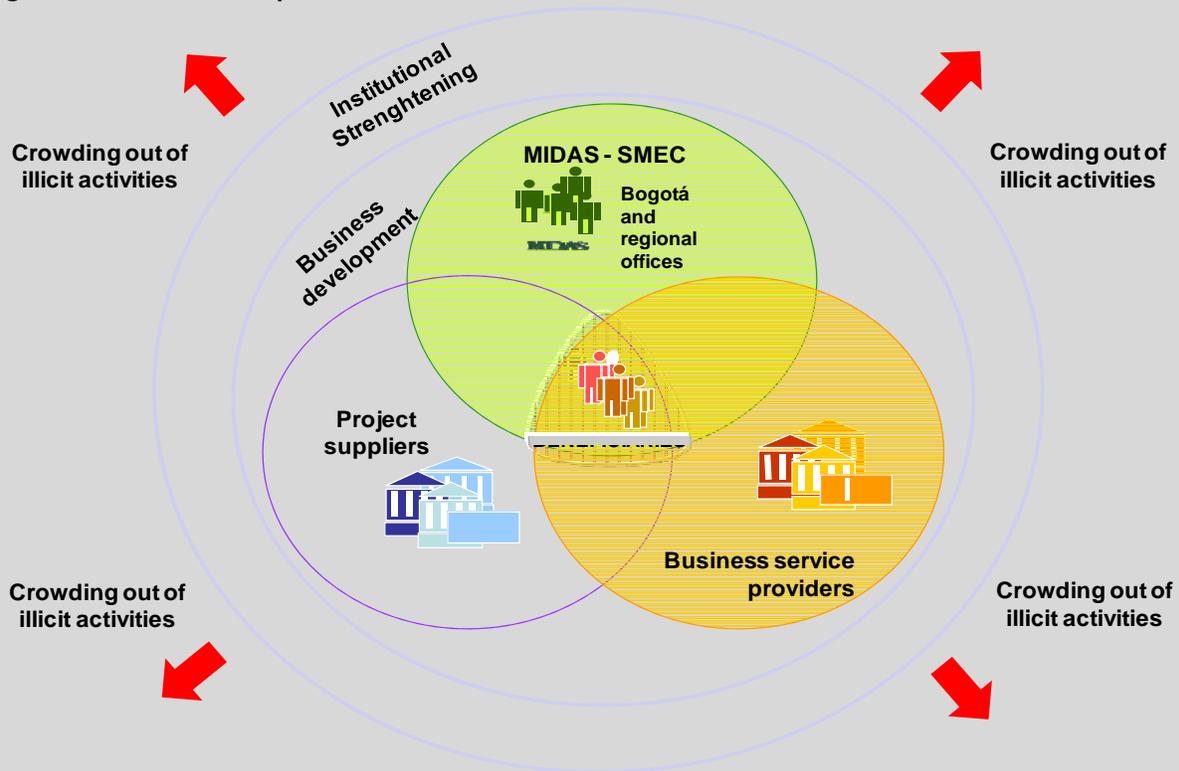


Figure 11. MIDAS SME Expansion Model



These proposals were customized plans for provision of specific technical assistance to an SME from a complementary network of service providers.

The approach proved successful as MIDAS developed and strengthened the network of providers, ensuring that both project and service providers were highly skilled, flexible to needs and reputable with SMEs. With SMEs willing to cover 50% of the technical assistance from service providers, clear benefits were seen by all participants. Operating through a network of 96 original urban project providers and moving into a rural network of 40 service providers, MIDAS has laid the foundation for sustainable private sector growth.

STRENGTHENING ORGANIZATIONS

MIDAS efforts to build organizational capacity among SMEs focused on strengthening or expanding business operations through increased sales, triggering job creation. With a 50% stake in MIDAS development efforts and project providers putting forth targeted plans, SMEs were able to have highly relevant and specific assistance from service providers based on needs. Examples of strengthening efforts include improved human resources, marketing, financial management, competitiveness, market linkages, product sourcing and standards.

SUCCESS STORY

Fostering an Entrepreneurial Culture and the Social Benefits of Microfinance in La Guajira



Through a strategic alliance between MIDAS and the Cerrejón Foundation of the La Guajira Department, over 1,187 jobs were created from increased availability of micro-credit, improved business skills and enterprise formalization. After 22 years of operation in the region, the Foundation, which serves as the social responsibility branch of corporate entity El Cerrejón LLC, sought to expand its impact, increase its lending to benefit its clients more effectively. The opportunity to work with MIDAS experts came at an excellent time.

In June 2006, the Foundation had 1,213 clients and a loan portfolio valued at 1,970 million pesos divided between Riohacha, Maicao and the southern part of the department. Loan products focused on small loans with a very low interest rate and support provided throughout the loan period.

The Foundation was challenged by the fact that their client portfolio was limited by their training requirement prior to credit provision. Not only did the training provision add costs for the Foundation, but many potential clients could not afford the courses.

Through the alliance with MIDAS, the Foundation sought to strengthen a large number of microenterprises in La Guajira; the majority of which were informal. By offering training at a lower cost and reducing the Foundation's operational costs with MIDAS assistance, the Foundation was able to increase its loan portfolio to 3,620 million pesos. These funds combined with training and technical assistance were able to bring 833 microenterprises into formalization in the trade, services and small manufacturing sectors, thus increasing the licit opportunities in the region.

MIDAS assistance was able to reach economies of scale in its technical assistance through its business association scheme, which allowed for program expansion into municipalities such as Uribia, Manaure and San Juan del Cesar, among others, as well as those that could not be affiliated due to budgetary constraints. Through this approach, which provided skills in the associative process, financial management, legal issues and human capital strengthening, 1,150 microentrepreneurs were trained.

Elisa Clara Maestre Salas, a project beneficiary reported "The project helped us to improve the business and manage it more efficiently, contributing to our family's income." In these ways, the alliance between MIDAS and the Cerrejón Foundation contributed to the development of a culture of entrepreneurship in the Department of La Guajira, making smuggling and illicit activities a thing of the past for hundreds of its inhabitants.

DEVELOPING NETWORKS

A vein running through much of the work under MIDAS was network and relationship building for improved business relations, expanded market potentials and long-term sustainability of economic advances. The building of social capital in rural areas where it has been severely weakened by violence, erosion of trust and sustained poverty is an ongoing process with tangible impacts. The networks and alliances developed through MIDAS are a catalyst for changes in farmer and SME access to technical assistance, markets and resources that continue to generate jobs and promote private investment after program completion.

PROMOTING TRANSPARENCY AND LEGALITY

Crowding out illicit activities and creating a tipping point for broad-based rural development centered on creating a cultural shift that values, honors and rewards licit activities, social capital formation and communities free from narco-traffickers. The institutional strengthening, viable alternative crops and community policing promoted under MIDAS has strengthened such a shift in culture and provided tangible benefits through transparency and legality.

Fostering Regional Competitiveness

The MIDAS approach has involved targeting and strengthening both specific actors in value chains as well as commodity-level analysis and support to increase the competitiveness of Colombian products. To foster regional competitiveness, MIDAS worked to strengthen alliances, develop strong market linkages, engage local and regional governments and integrate regional supply and demand. The benefit of regional approaches is that it allows for broad-level planning, scaling up of successful projects, increased crowding out impacts, knowledge sharing and leveraging of resources.

To test the impacts of regional planning and competitiveness approaches, MIDAS undertook a targeted regional competitiveness program in the Departments of La Guajira, Cesar, Santander and Risaralda. This pilot program worked to improve regional business environments and strengthen departmental and municipal authorities' capacity to promote business development by providing access to finance, technical assistance, market information and protection of land property rights.

MIDAS' work to strengthen regional competitiveness is embodied in Catatumbo, where the region has been transformed from an area of extreme poverty, violence and social and economic devastation to one of stability, prosperity and profitable livelihoods through oil palm production. Through the joint efforts of USAID, Acción Social, the private sector and regional governmental institutions, MIDAS was able to impact 581 families, plant 7,543 hectares of oil palm, strengthen social ties and establish a solid foundation for regional growth.



FACILITATING ACCESS TO CREDIT

Increasing both SME and farmer access to credit was seen as an important building block in alternative crop and market viability. Limited access to capital resulted in constraints across value chains, reducing the potential for farmers and businesses to move forward with business plans, invest to strengthen operations and expand production. Access to credit, particularly in rural areas, was constrained by many factors, including lack of sufficient collateral, land tenure issues, high credit costs, small loan sizes and lack of available credit.

MIDAS worked with 10 financial institutions to extend banking services into rural areas, create non-banking models, pilot electronic and mobile banking and develop microcredit and insurance products. These efforts successfully opened the door for further expansion of credit services into rural Colombia. MIDAS successfully expanded outreach, bringing in over 480,000 new clients and stimulating lending to reach over 1.7 billion pesos during the program. In addition, MIDAS helped Acción Social develop an agreement with Banco Agrario to provide crop maintenance loans for small growers.



Assistance to Colfores and its producer group members in operations, management and networking helped create a quality and cost advantage that improved its competitive ranking and facilitated export market expansion.

SUCCESS STORY

A Comprehensive Strategy for Quality Milk and Sustainable Livelihoods



The Department of Boyacá produces 500,000 liters of milk a day, making it the third largest producer of milk in Colombia, surpassed only by Antioquia and Bajo Cauca. Boyacá has nearly 118,000 milk producers, of which an estimated 80% are smallholders. In addition, some 300,000 *campesinos* have at least one cow that contributes to their daily economy. Despite milk's importance to the department's economy, production and sales remained largely informal.

In 2006 however, the Ministry of Agriculture and Rural Development issued Decree 616 and milk producers were forced to accept their informal system was not sustainable given health, production and marketing concerns. The decree established milk standards for human consumption related to obtaining, processing, packaging, transporting, marketing, retailing, importing and exporting the product, while requiring producers to obtain certification from the Colombian Agricultural Institute (ICA) for continued operations.

To address this challenge, the local Chambers of Commerce, Boyacá's Secretary for Agricultural Promotion and area mayor offices developed a strategy to engage MIDAS and the technical services of *Gestión Agropecuaria y Ambiental Limitada* and *Gesagam Ltda* to keep milk producers in business. The subsequent project targeted 731 small producers in Boyacá, with 360 in Tundama and 330 in Sugamuxi. The goal was to provide the skills needed to meet ICA requirements and create the foundation for continued growth of the milk sector in Boyacá.

Project efforts concentrated on undertaking a status assessment of each small-scale milk producer, thereby defining critical elements for intervention to obtain ICA certification. Targeted trainings were then provided on good manufacturing and livestock practices as well as field workshops in nutrition, health, management, installations and record keeping, as well as environmental, health and wellbeing management. In addition, training in association development was given to expand market and employment opportunities.

As a result, 190 small producers were able to quickly obtain the ICA certification, four new associations were created and Boyacá is ready to move forward with continued gains in its milk sector. The project also successfully integrated into the government and municipal entities through the Chambers of Commerce, which helped solidify support systems for the region's economic activities and expand confidence between the local government and communities.



CHAPTER 6. STRENGTHENING COMMUNITIES AND VULNERABLE POPULATIONS

Key Implementing Partners

- USAID
- ADAM
- MIDAS
- OIM
- FUPAD
- AMUNORCA
- Consejos Comunitarios and Cabildos Indígenas in Cauca, Valle del Cauca y Nariño

At the heart of MIDAS are the communities and diverse populations that work as change agents for Colombia's stability and prosperity. Without a community-centered alternative development approach, MIDAS would be challenged to crowd out coca production and create the tipping point needed for sustainable alternatives.

Success through community engagement brought together public, private and productive sectors to acknowledge and address local dynamics, issues and constraints. MIDAS' use of local experts and decentralized operational structure helped advance the community approach.

INTEGRATING POPULATIONS

In taking a community-centered approach, MIDAS sought to maximize the participation of a full range of community members. This included often marginalized populations, including Afro Colombians, indigenous, women, youth and the internally displaced. Throughout the program, MIDAS was able to target these populations and design interventions that met their particular needs, whether in the areas of production

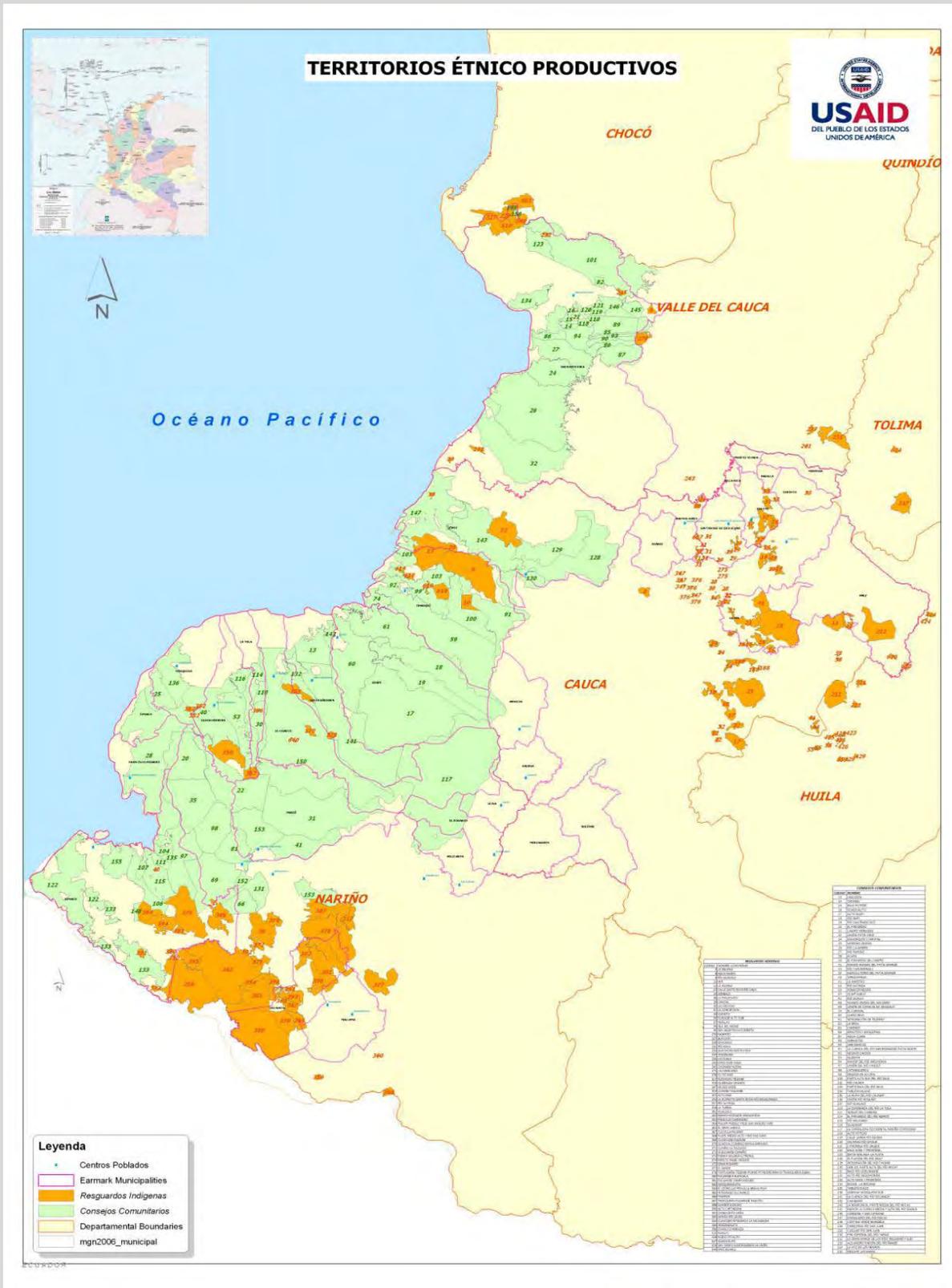
knowledge, access to credit, entrepreneurship, group strengthening or political reforms.

PRODUCTIVE ETHNIC TERRITORIES

Through USAID's Afro Indigenous Earmark, known as *Territories Etnicos Productivos* (TEP), MIDAS worked with Acción Social and a task force of four collaborators, USAID's Areas for Municipal Level Alternative Development Program (ADAM), the Pan American Development Foundation (FUPAD) and the International Organization for Migration (OIM), to specifically advance the livelihoods of Afro Colombian and indigenous populations. These populations are concentrated in the coastal areas of Colombia, as shown in Figure 12.

Many of the targeted communities were located in areas both historically and currently plagued by violence, poverty, coca production and narco-trafficking. In addition, much of the coastal area of Colombia is heavily forested, allowing for clandestine operations as well as deforestation due to the lack of sustainable management.

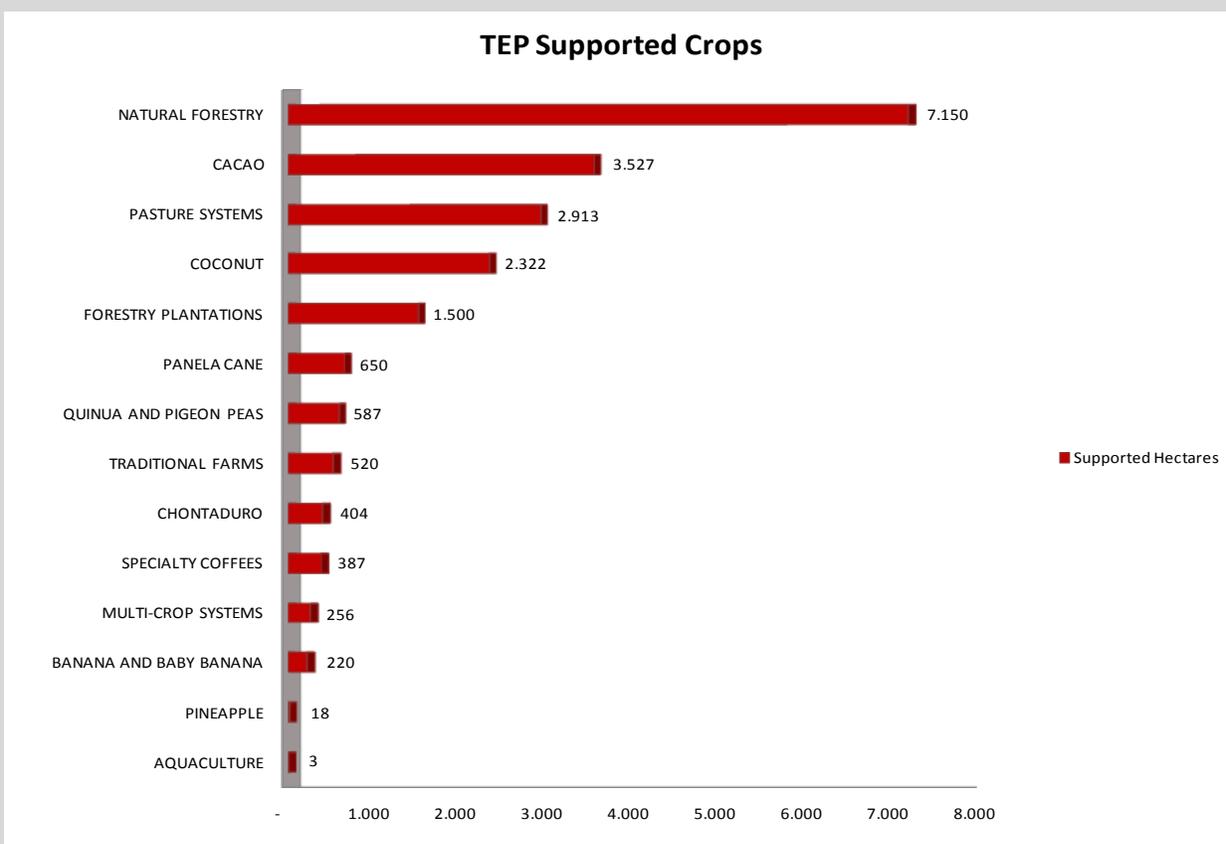
Figure 12. Map of Productive Ethnic Territories in Colombia



These dynamics made community-centered approaches critical. To operate effectively in these areas, MIDAS relied heavily on local community councils known as Consejos Comunitarios, responsible for governance and collective management of TEP areas.

Projects were largely productive in nature; however, governance strengthening and food security were also areas of focus. As a result, 9,216 families were benefited. A total of 31 projects were implemented, of which 12 were under MIDAS. A breakdown of the types of projects under TEP is shown in Figure 13.

Figure 13. Breakdown of TEP Activities



CONSENSUS BUILDING

A key initial step in engaging communities was the process of consensus building. Particularly under TEP, the communities themselves designed and determined projects with the greatest local relevance and importance. This community-driven process was essential to ensure high-impact projects and community buy-

in to activities. In working with Afro and indigenous communities, MIDAS was keen to appreciate the critical importance of working through local mayors and community councils and respecting traditional cultural values, including local Developments Plans, Life Plans and Ethno-Development Plans.

GROWTH OF SOCIAL CAPITAL

The strengthening of social capital flowed through much of MIDAS' programming. It was developed through the farmer and agribusiness networks and alliances noted in Chapter 5 and

farmers working in groups, localized engagement of the GOC and the integration of producers into regional markets. Social capital formation under MIDAS grew by fostering a culture of trust, perseverance and prosperity among Colombians recovering from degraded social and economic conditions and truly learning to appreciate a sense of community.



MIDAS support to protect 5,500 hectares of native forest was valuable in “four essential areas: governing the territory, eradication, substitution of illicit crops, and sustainable management of natural resources and food supply. Hopefully the area will be free of cocaine production soon”, reported Lidoro Hurtado of the Bajo Mira Consejo Comunitario.

SUCCESS STORY

Minga – Working Together



The Sibundoy Valley lies in the highlands of Putumayo, its vegetation typical of the high Andean valleys that dot the ancient highway of the Amazon basin. Linking these isolated areas, the highway has produced an intercultural region that includes communities of Ingas, Kamsas, farm families and Afro Colombians.

'My dream is that our communities become one big family,' says Teresa Jacanemejoy, an indigenous community leader. She clings to the dream of instilling traditional cultural and social values in the minds of the youth to save them from illicit drug activities. Teresa particularly deplores the loss of young indigenous women who travel to the lower Putumayo valley seeking work to plant coca.

To fulfill this dream, Teresa and other community leaders attempted to establish the cooperative COOPARMAYO to develop community participation projects, including the production and marketing of aromatic herbal teas and essential oils, preserving the ancestral knowledge of local indigenous people.

The initial effort failed, however, due to lack of community support, red tape and empty promises. "It's very difficult to initiate a project without complete community support; the cooperative was doomed to fall apart, and that's what it did," noted Jesus Chindoy Morales, a quiet indigenous man.

Through the MIDAS program, however, the languishing cooperative was able to obtain needed support to get it functioning and engage the community. MIDAS efforts concentrated on managing organizational objectives, improving agricultural production practices, and marketing and preparing market studies for potential products. Assistance included best agriculture management practices, crop improvement and environmental conservation. Of high value was the basic precept of working together, known as 'minga' in Quechua, the local language.

"Everyone talks about heeding your elders. In that sense, the technical assistance promoted interaction between young and old and taught respect. It was an opportunity for us to work together and revitalize our cultural values," concluded Teresa Jacanemejoy.

The project achieved the goal of planting and harvesting herbal crops such as basil, mint and chamomile. It also trained 280 members of the cooperative, who now understand the advantages of 'minga' and technical and administrative production preparation for essential oils and aromatic extracts.

These results have allowed COOPARMAYO to open a dialogue with Acción Social and local government officials for processing and marketing their products. Today the indigenous and farming communities in the Sibundoy Valley are once again believers in 'minga' and are working together for development across ethnic boundaries.



CHAPTER 7. FOSTERING AN ENABLING ENVIRONMENT

Key Implementing Partners

- AECOM
- GOC, National and Regional Levels
- Ministry of Agriculture and Rural Development
- Ministry of Interior and Justice
- National Planning Department
- National Commission for Reparation and Reconciliation

To complement, strengthen and solidify MIDAS efforts in alternative crop promotion, private sector growth, economic competitiveness and vulnerable population integration, the program supported the GOC in formulating, drafting and piloting a range of high-level reforms. MIDAS was the dominant tool for which strategic objectives of the GOC and USAID could be explored and advanced. Through MIDAS, an enabling environment for long-term growth was expanded, leaving Colombians and their government poised to exploit the benefits from alternative development efforts.

MIDAS support was valuable at a time when Colombia was looking forward with strategies such as the *Agenda Interna de Competitividad*, Vision 2019, Plan Colombia and National Development Plan; and appreciating that rigid economic policies, government inefficiencies and inhibited private investments were limiting the potentials for broad-based economic growth, foreign direct investment and export market potentials. Ongoing Free Trade

Agreement negotiations between the GOC and United States also provided an opportunity to strengthen foundations for increased competitiveness and foreign investment opportunities.

GOC COLLABORATION

With the goal of increasing the competitiveness of Colombia in the global economy and stimulating economic growth, the GOC was able to work through MIDAS to advance thinking on key short- and long-term developments. To support these efforts, MIDAS worked through a range of national governmental entities, as highlighted in Figure 14. MIDAS worked on multiple political fronts, advancing financial, labor and customs reforms as well as targeted policies to address land restitution, urban and rural poverty reduction and social inclusion.

Figure 14. National Government Policy Reform Partners



MAJOR POLICY DEVELOPMENTS

MIDAS contributed to numerous decrees, resolutions, circulars and administrative reforms, including 15 laws, 18 CONPES, 116 resolutions and 89 institutional reforms. These advancements occurred through targeted outreach and consensus-building approaches at the public and private sector levels to ensure efforts effectively met needs and were viable for implementation. In addition, a key feature of MIDAS policy support was the implementation of 308 pilot projects which allowed potential reform to be tested and analyzed prior to ratification, thus increasing future impact. Specific policy advancements include the following:

- Design participation on **National Policy for Productivity and Competitiveness**;
- Design participation on **Micro and Small Enterprise Policy**;
- Reform support on **investor arbitration** rights;
- Design of National System for **Sanitary and Phytosanitary** Measures;
- **Customs system** revision for optimization;
- Strengthening and implementation of **standards** in key productive sectors;
- **Labor reform** to improve efficiencies;
- Reform support on **trade barrier reductions**;
- Design and implementation of **Agricultural Technical Assistance** model;
- Sustainability schemes for **CuluAgro agriculture information system**;
- Analysis of and recommendations for national **alternative development policies**; and
- Policy design targeting **Afro-Colombian economic integration**.

LAND RESTITUTION

In MIDAS' analysis of foundational policy efforts to address limitations and advance economic opportunities for Colombians, the issue of land restitution was of fundamental importance. After years of forced abandonment, usurpation and informal property rights, MIDAS saw an

opportunity to advance the knowledge of land issues in Colombia and begin the process of change. To this end, the program supported the design and implementation of efficient public policies aimed at improving the functioning of land markets and access to land for small producers.



MIDAS supported development of a GOC agricultural sector policy framework, including the Agricultural Technical Assistance (ATA) policy for small producers, which increases specialized technical support and decreases bias toward large producers.



An Alternative Development CONPES was developed under MIDAS, providing an in-depth analysis of Colombia's alternative development policies and targeted information for policymakers designing improved strategies after significant experience.

Initially MIDAS worked with the Ministry of Interior and Justice (MIJ), the National Planning Department (DNP), Acción Social and the National Commission for Reparation and Reconciliation (NCRR). As the appreciation for land issues grew however, MIDAS shifted to support new leadership under the Ministry of Agriculture and Rural Development (MARD).

Much of MIDAS' work focused on advancing the issue of land restitution, titling and property rights within the GOC; however, targeted pilot programs were also employed in 25 municipalities. The projects were valuable in testing potential restitution and reform instruments to confirm effectiveness of meeting the needs of informal owners and displaced populations.

SUCCESS STORY

Advancing Land Restitution and Formalization



Technical assistance in land policy was developed amid a severe crisis of confidence in the property rights protection system for rural lands. This is due to the mass displacement of nearly 434,000 rural households throughout the last 30 years, leaving 6.6 million hectares of abandoned or usurped land, not including collective territories, according to estimates made by the Public Policy Monitoring Committee for Forced Displacement. Only 21% of displaced persons had registered property titles for their land, which highlights the prevalence of informal land tenure. About 6% of the displaced population's land has been recovered; third parties hold 11%; 53% is abandoned and unoccupied; and the state of the remaining 30% is unknown.

Given this background, the MIDAS Land Policy team focused its activities primarily on identifying opportunities to strengthen the legal and institutional framework for the restitution of lands to displaced persons and the formalization of rural property. At the beginning of the Land Policy program in 2007, forced displacement was a

widely recognized phenomenon but very little was said about victims' rights to the restitution of their land. The state's actions were limited to trying to resolve some emblematic cases without success.

MIDAS supported the government's initial efforts at defining a land restitution policy by holding the first international seminar on property restitution experiences and drafting a chapter on land restitution, which was included in the Victims' Bill that was debated in Congress in 2008. The bill eventually failed to pass due to issues unrelated to land restitution.

With the new Santos government installed on August 7, 2010 however, land restitution has become a key area for GOC action. The administration was quick to submit a new Victims' Bill to Congress, which retained much of the original MIDAS proposal. MIDAS support to the GOC has continued to grow and the program is assisting in the design of a new National Rural Property Formalization Program. MIDAS has also been able to use many of the lessons learned from the formalization pilot projects to contribute to the structuring of a new General Land Bill.

Looking back over MIDAS, 2011 is set to be a landmark year for land issues in Colombia. With the change in government and momentum generated by MIDAS, there has been a substantial change in the importance, understanding and actions needed to address land restitution and formalization in Colombia. As noted by Minister Restrepo of the MARD, land titling is not a gift from the government but a right of its citizens.



CHAPTER 8.

LESSONS LEARNED

Through five years of MIDAS operations, with an US \$180 million budget, over 550 individual activities, 180 program staff, and key mandates for high impact across Colombia, there have been several key lessons learned. These lessons have occurred at both the program and component levels of MIDAS.

1. **High leveraging of program resources**

have significant broad-based impacts that echo throughout the program. Through MIDAS efforts to leverage resources with Acción Social, the private sector, foundations and farmers, not only was additional funding available for increasing programmatic impact but also greater buy-in was achieved for increasing participation and long-term sustainability of program goals.

2. To increase the **sustainability of projects**, not only do review committees need to ensure that sustainability is a core feature in each project proposal, but also that sustainability plans include key features learned under MIDAS. The MIDAS experience shows that for project sustainability, the following elements are needed: 1) matching resources from beneficiaries; 2) organizational capacity to manage ongoing activities; 3) public or private sector capacity to provide ongoing technical assistance, particularly with long-

term maturity crops; and 4) viable markets for sales.

3. The **component structure** used under MIDAS both facilitated and hindered program effectiveness. While efforts were made to integrate program operations, the component structure required a more stovepiped approach. The structure did allow for quick, timely and expansive high impacts however, at the cost of reduced cross-component collaboration and broader rural development impacts.
4. **Collaboration with the GOC as a key partner** under MIDAS at the national and regional levels not only increased program impacts but also the long-term viability of program efforts. The partnership between MIDAS and the GOC, particularly with Acción Social, was synergistic as MIDAS gained from GOC buy-in to program objectives while the GOC gained from increased exposure and further consolidation of its presence throughout Colombia. MIDAS also benefited from the highly effective relationship with the MARD's Productive Alliances Program.
5. By targeting coca-producing zones and creating viable licit opportunities across rural Colombia, MIDAS often operated in high risk areas with variable security

conditions. To ensure the safety of staff while achieving project results, a **comprehensive security system** was developed based on lessons learned and shifting dynamics. This system involved

training staff, continuous monitoring of security conditions in target geographic zones and the approval and supervision of all staff travel by professional security personnel.



Through its targeted approach, dedicated staff and alliances, MIDAS was able to achieve significant percentage increases beyond 4 of its 5 indicators two years ahead of schedule: 287,799 Families Benefited (190%), 260,090 New Jobs were created (146%), 163,383 New Crop Hectares were established (96%) and 114,051 Natural Forrest Hectares were planted (113%).

Component	Lesson Learned
ABC	<ul style="list-style-type: none"> • Long-term tree crops need guaranteed technical assistance for an appropriate time after establishment; however, they are ideal for long-term sustainable livelihoods. • The private sector must have clear incentives for alliances with small producers. • Long cycle projects must have food security and income-generating strategies for unproductive periods. • Access to credit is severely constrained, limiting smallholder business capacities.
TEP	<ul style="list-style-type: none"> • Consensus building is a key success factor. • Adequate time is needed in project timelines to ensure community-driven processes. • Community control over resources results in increased decision capacity, administration and governance. • Program management skills will further strengthen community capacity.
CFC	<ul style="list-style-type: none"> • Payments for conservation to communities need to cover 100% of opportunity cost as communities lack sufficient resources. • Forestry and rubber plantations are viable new land use alternatives but livelihood support is needed to help weather establishment periods. • Alliances between forestry/wood firms and small farmers for material and technical assistance proved viable and successful.
PYME	<ul style="list-style-type: none"> • The SME model transfer to local governments is an important factor in expanded outreach and long-term growth. • A wide and diverse project and service provider network ensured connections between SMEs and producers as well as flexibility and responsiveness to needs. • SMEs are willing and able to cover 50% of the cost of technical assistance given proven increases in sales and job growth.
MPC	<ul style="list-style-type: none"> • Strategic reforms identified by the GOC coupled with pilot programs that make evident the benefit of reforms are highly effective. • Rural finance is complicated by a lack of land titles for collateral and a risk averse nascent microfinance sector.

6. Developing a model to quickly move projects from design to evaluation to approval dramatically improved MIDAS' capacity to rapidly get projects up and running. With a clearly defined process for how to design a project and criteria for evaluating proposals, the MIDAS team was able to achieve its high number of activities and quick results.

7. To streamline program operations, two systems were created to provide innovative responses to program organization and effectiveness: Shared Services and SIM. By combining human resources,

administration, security, contracts and grants and finance under one management structure for MIDAS and ADAM, not only were cost savings achieved but a highly efficient and responsive system was established for managing the high level of activity under both programs. In addition, to facilitate the USAID approval process and internal management, the SIM system was created and dramatically improved MIDAS' capacity to quickly address program needs and track developments.





U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov