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IFAD

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

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REPUBLIC OF COLOMBIA

COUNTRY STRATEGIC OPPORTUNITIES PAPER

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CURRENCY EQUIVALENTS

Currency Unit	=	Colombian Pesos (COP)
USD 1.00	=	COP 2 800
COP 100	=	USD 0.036

WEIGHTS AND MEASURES

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m ²)	=	10.76 square feet (ft ²)
1 acre (ac)	=	0.405 hectare (ha)
1 ha	=	2.47 ac

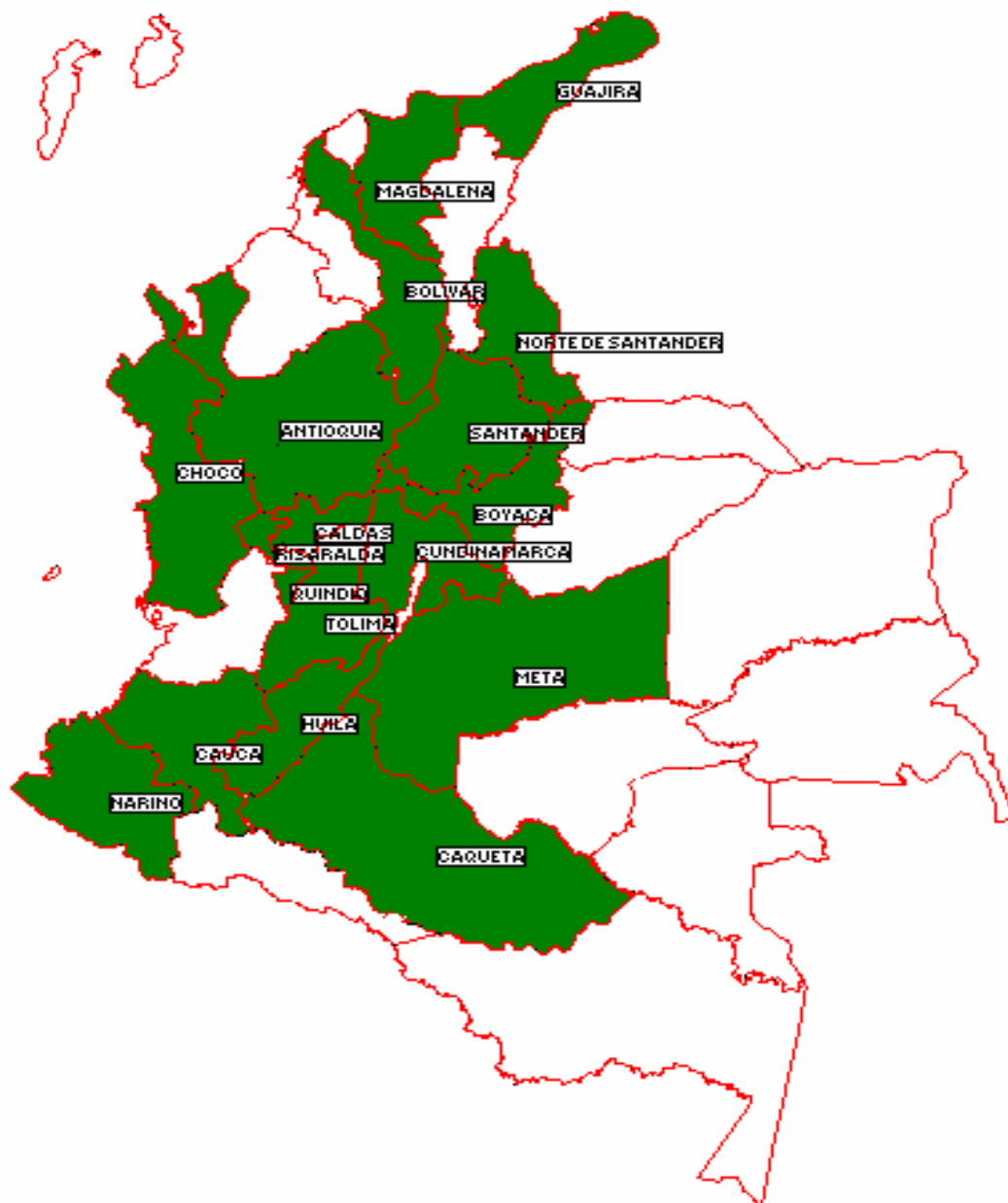
ABBREVIATIONS AND ACRONYMS

AF	Andean Development Corporation
COSOP	Country Strategic Opportunities Paper
DNP	National Planning Department
IDB	Inter-American Development Bank
INAT	National Institute for Irrigation and Land Preparation
MARD	Ministry of Agriculture and Rural Development
NDP	National Development Plan 2002-2006
NGO	Non-Governmental Organization
PADEMER	Rural Microenterprise Development Programme

GOVERNMENT OF THE REPUBLIC OF COLOMBIA
Fiscal Year

1 January-31 December

COUNTRY MAP: LOCATION OF IFAD-FUNDED OPERATIONS



Source: IFAD.

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

IFAD PORTFOLIO OVERVIEW

Project Name	Initiating Institution	Cooperating Institution	Lending Terms	Board Approval	Loan Effectiveness	Current Closing Date	Loan/Grant Acronym	Currency	Approved Loan/Grant Amount	Disbursement (as % of approved amount)
Rural Development Project Arauca II	IDB	IDB	I	17 Dec 81	22 Sep 82	31 Jul 89	L - I - 87 - CO	SDR	6 800 000	89.3%
Boyacá-Santander Integrated Rural Development Project	IFAD	CAF	O	29 Apr 87		31 Dec 93	L - I - 204 - CO	SDR	7 150 000	
Rural Microenterprise Development Programme	IFAD	CAF	O	11 Sep 96	30 Jun 97	30 Jun 05	L - I - 426 - CO	SDR	11 000 000	34.8%

Note: CAF = Andean Development Corporation
 IDB = Inter-American Development Bank
 I = intermediate
 O = ordinary

EXECUTIVE SUMMARY

1. Colombia is the fifth largest country in Latin America. It has a total area of 1.1 million km². The total population is estimated at 43.8 million, and the average annual population growth rate is 1.9%. The rural population represents almost 28% of the total number of inhabitants. The Colombian economy is well diversified and showed sound growth over the decades up to the mid-1990s. Nevertheless, the persistence of political violence in many rural areas has hindered economic activity and negatively impacted the economic growth and social development potential of the country. Furthermore, the adoption in 1990 of a wide set of economic policies and institutional reforms, such as trade liberalization, privatization, and banking and public sector reform, has had a negative effect on various economic and social sectors of the country, leading, in particular, to very high rates of unemployment (especially in the rural sector).

2. The rural population represents about 2.4 million households. Today, 43% of rural inhabitants depend on agricultural activities for income and employment, compared to 80% in 1965. Rural families in Colombia diversify their sources of income and minimize their risks through the creative combination of multiple activities, including paid work, microbusinesses (pottery, tourism, food, and so on). The *rural poor* are no longer typically small farmers seeking to increase crop productivity, but are now more often members of a microentrepreneurial family structure with diverse interests in resource, product and service markets.

3. Poverty affects a significant proportion of the Colombian population. Indicators show that 60% of the total population had incomes below the income poverty line in 2000. The urban poor represent 51% of the total urban population. In rural areas, 83% of the population is poor. These figures imply that approximately 26.2 million people are poor. In the cities, the poor total around 15.6 million. The rural poor account for about 10.6 million people (approximately two million households). Extreme poverty includes 23.4% of the total population. While this phenomenon affects only 16% of the urban population, it reaches almost 44% of rural inhabitants; more than half of the rural poor live in conditions of deprivation.

4. Rural unemployment reached 11.5% in 2002, while the figure was only 4.5% in 1994. Unemployment in rural areas is much higher among women (19%) than it is among men (5.2%) according to data for 2000. Unemployment is concentrated among the poorest groups in the population. The negative overall economic performance in rural areas during the last decade has been explained by various internal factors, including: (a) the high production costs due to high interest rates, rising land rents and foreign exchange rate policies that were not favourable to the rural sector; (b) the lack of a gradual approach towards the lifting of protectionist barriers, which rapidly exposed unprepared subsectors to competitive world market conditions; and (c) insecurity and violence caused by escalating armed conflict that increased the costs and the risks of investments in rural areas, handicapped rural social capital formation and deepened poverty.

5. During 1991-96, the cost of the violence reached COP 17.2 billion, equivalent to 25.3% of the gross domestic product (GDP). The decline in the rate of domestic and foreign investment from 19% of GDP in 1995 to 5% in 2001 is attributed to the increase in the violence. The conflict has also generated rising rates of internal displacement; a conservative estimate based on data on those people who request government aid is that over one million people have been displaced since 1995.

6. The formulation and implementation of poverty reduction policies has been a permanent feature in Colombia since the 1970s. The Inter-American Development Bank (IDB), as well as the World Bank, have supported several projects for agricultural and rural development during the last three decades. IFAD has financed the implementation of only two projects in Colombia since the 1980s. The first project (Rural Development Project Arauca II) was approved in 1981 and cofinanced with

the IDB. Implementation was affected by political violence. IFAD resumed operations in 1996 through the approval of the Rural Microenterprise Development Programme (PADEMÉR). PADEMÉR was launched in 1998 and is currently being implemented. Disbursements have reached 35% of the total loan amount of USD 16.0 million. The aim of PADEMÉR is to support the development and consolidation of rural microenterprises as a means of alleviating the poverty that affects the landless rural population. The IDB, the World Bank and other donors, including non-governmental organizations (NGOs), are currently financing more than 20 projects on rural development or rural poverty reduction.

7. In spite of these efforts, poverty, social injustice and violence characterize rural society in Colombia today. These are the main obstacles to sustainable rural development. A vicious circle of political violence in the countryside and rural poverty has set in. The Government is well aware that traditional rural development policies are not sufficient to break this vicious circle and that the gravity of the situation calls for a wider, more profound policy approach. The proposed National Development Plan (NDP) consists of seven main strategies, and each one of these includes actions that involve the rural population. The Government is actively seeking ways to design innovative *strategies and instruments for the purpose of working more closely with the initiatives of grass-roots and local development organizations*. This will probably involve a combination of social investment in public goods, services and externalities, together with the implementation of flexible mechanisms for the allocation of funds in initiatives put forward by the rural poor. It would also include the provision of support for the development of relevant local and regional markets. However, this approach still lacks a clear strategy, including policies, measures and resources that would help generate the required linkages between the initiatives of citizens and the State's ability to buttress them.

8. The Government is seriously concerned about the capacity of the country to achieve a significant impact sufficiently rapidly. The Government has requested IFAD's support in the preparation and implementation of the majority of the proposed policies and programmes. The support is not limited merely to a financial contribution, but also covers the transfer of experiences and expertise and access to innovative approaches and 'ways of doing' that are effective in conflict and post-conflict situations. This would constitute IFAD's niche and IFAD's role in the present situation in Colombia. The enhancement of efforts at local empowerment and facilitating access to and the development of markets relevant to the rural poor would be core components in the proposed strategy. These are the main axes within IFAD's strategic framework for development and poverty reduction in the rural areas of Latin America and the Caribbean region.

9. The policy dialogue between IFAD and the Government should not be restricted to the Ministry of Agriculture and Rural Development (MARD). The seriousness of the situation in Colombia requires the involvement of various institutions, particularly those government offices with the main responsibility for the coordination of public resource allocation and high-level decision-making over and above the various sectoral entities and ministries. Therefore, it is highly recommended that policy dialogue should always include the National Planning Department (DNP), as well as the advisors in the Office of the President. IFAD's experience would be transferred by means of specific investments (projects), which would be supplemented by visits ('learning routes') to other IFAD projects in the region. These activities would provide inputs for a permanent policy dialogue regarding rural development. They would also highlight the catalytic role of IFAD's activities, while enabling potential 'synergies' with other funding agencies.

10. A set of policy areas were identified in which IFAD's experience would be of great interest to Colombia: (a) *The development of markets for rural financial services*: IFAD could contribute to the generation of innovative systems, products and mechanisms for the provision of sustainable and efficient rural financial services (in particular, savings, microinsurance and transfers) based on a supplier network of private institutions and NGOs and on the demands placed by individuals and businesses in rural areas. Support could be made available in order to widen coverage, improve

technology, reduce service costs, give advice on risks and enhance the assets of these rural financial service providers. (b) *The development of specialized non-financial service markets*: This involves creating markets for the provision of technical assistance (for production, processing, trade, legal issues, etc.). These services would be contracted directly by the beneficiaries, ideally through local suppliers in the market. (c) *Support for the development of income-generating rural microenterprises*: These contribute to diversification and risk reduction and stimulate links and alliances with larger businesses and service providers within the framework of systems for adding value. (d) *Support for initiatives aimed at the sustainable management of natural resources and land and at increasing the value of the biological and cultural patrimony*. This would be achieved through the allocation of monetary incentives both to proposals (ideas) and achievements (results) stemming from local communities and their organizations. (e) *The development of social and economic 'corridors'*. These would have the purpose of linking rural areas, villages and intermediate towns on the basis of strong local identities and recognizable differences.

11. The interest of the Government would be guaranteed by its intervention in securing peace and stability of certain buffer zones. In this sense, the IFAD-financed programme in the country, PADEMÉR, faced several implementation problems because of political violence in some programme areas. This risk would be avoided with the protection of the proposed institutional framework. The basic idea would be to combine PADEMÉR with the new operation in order to test IFAD's methodology in buffer zones that have been selected together with the United Nations system, which would reduce the causes of violence. Bearing in mind the lessons learned and the identified needs of the Government for the improvement and innovation of several traditional policy tools for rural development, IFAD recommends that, rather than building a pipeline made of several projects, it would be advisable to launch a pilot Strategic Rural Development Initiatives Support Project. This operation would imply financial support from IFAD of approximately USD 15.0 million, as well as local counterpart funds and the contributions (to be determined) from external cofinanciers.

12. The programme would have the following three main characteristics: (a) *Institutional framework*: Rural development in Colombia should involve several areas of Government. The permanent coordination of different ministries, institutions and other organizations requires: (i) a strategic unit ('think-tank') with the mandate permanently to monitor all pertinent policies, programmes and projects and provide constant advice to decision-makers. This unit should be established at the DNP; (ii) a rural development management authority, which should be established over and above the ministries in order to arbitrate effectively among parties and ensure an efficient coordination at the central and local levels of the organizations involved. (b) *Area focusing*: The programme would have to be implemented within a limited number of priority or pilot regions. IFAD's innovations would be included in the implementation of current government programmes (i.e. the rural service microfinancing, microenterprises, technical rural support services, gender issues, assistance to indigenous communities and ethnic minorities, rural roads, etc.), but concentrated in the pilot regions. The executing agencies for the regions and activities would be defined according to local characteristics. (c) *Multisectoral integrated actions*: The basic programme concept is a global 'assault' on most of the causes of rural poverty. This assault would be concentrated on a few specific, restricted areas. It would employ all available government tools, as well as operational mechanisms designed for the close involvement of local public authorities and the enhancement of active grass-roots participation. If the expected results are successful at this level of intervention, then the replication of the programme would be the next strategic step.

13. This proposal has been discussed with public authorities (presidential advisors, the DNP, MARD, the Ministry of Transport, etc.), as well as with NGOs, civil-society organizations, the United Nations system and other donors. The first new operation could be cofinanced by the Organization of the Petroleum Exporting Countries Fund for International Development, as well as by the Andean Development Corporation.

REPUBLIC OF COLOMBIA

COUNTRY STRATEGIC OPPORTUNITIES PAPER

I. INTRODUCTION

1. During the 1980s, IFAD financed only two projects in Colombia. The first one (the Rural Development Project Arauca II) was approved in 1981 and cofinanced with the Inter-American Development Bank (IDB). The second one was interrupted shortly after its inception due to political instability in the area. IFAD resumed operations in 1996 through the approval of the Rural Microenterprise Development Programme (PADEMER). PADEMER was launched in 1998 and is currently being implemented. Disbursements have reached 35% of the total loan amount of USD 16.0 million. Colombia has also benefited from regional IFAD-funded grants in rural development training, evaluation and policy development.

2. This Country Strategic Opportunities Paper (COSOP) was prepared between September 2002 and February 2003. It follows the Letter of Intentions signed between a Colombian Government delegation and IFAD whereby both parties agreed to field a strategic mission to identify project profiles and areas of intervention for future IFAD operations. The decision to prepare the COSOP was taken in close coordination with the Government of Colombia. In fact, the new Administration, in office since August 2002, has formulated the National Development Plan 2002-2006 (NDP)¹, which was presented to the National Congress during the first quarter of 2003. The formulation of the COSOP has taken into account all available information on the NDP. The COSOP preparation missions met with government authorities and officers, including the vice-minister of agriculture and rural development, the Ministry of Transport and senior presidential advisors. In addition, there were several meetings with representatives of international financial institutions in Colombia, leaders and implementation teams involved in various projects, and beneficiaries of the IFAD-funded PADEMER. The main objectives of the COSOP are to: (a) assess the situation of rural poverty in the country and update the information available to IFAD on this matter; (b) review current government policies on rural development and rural poverty reduction; (c) formulate consistent IFAD country strategies and policies in order to identify suitable IFAD technical and financing contributions.

II. ECONOMIC, SECTORAL AND RURAL POVERTY CONTEXT²

A. Country Economic Background

3. **The country.** Colombia is the fifth largest country in Latin America. It has a total area of 1 141 748 km². The total population is estimated at 43.8 million, and the average annual population growth rate is 1.9%. The rural population is almost 28% of the total inhabitants (30% in 1991). Although migration from rural areas to the cities rose swiftly between 1938 and 2001 (the share of the rural population in the total population dropped from 69% to 28%), this process has slowed in the last decade. It is estimated that 72% of Colombians are *mestizos* (of European-Indian descent); 26% are Afro-Colombian, and 2% belong to indigenous communities and other minority groups. The country has a remarkable regional and ecological diversity, including the rather cold Andean highlands in the Southern regions, the tropical and humid high valleys in the Central regions, the jungle and the humid lowlands in the Amazonian regions and the dry *sabanas* of the Northern Atlantic region. Colombia is divided politically into 32 departments (comprising 1 073 municipalities) and the Capital District of Bogota.

¹ The process is defined by Law 152 of 1994, known as the Organic Law for the Development Plan.

² See Appendix I for additional information. Updated data herein are from the National Planning Department.

4. **The economy.** Colombia is classified as a low-middle-income country, with a per capita gross national income of USD 1 890 (2001). The Colombian economy is well diversified, and it showed sound growth over several decades until the mid-1990s. The adoption in 1990 of a wide set of economic policies and institutional reforms such as trade liberalization, privatization, and banking and public sector reforms also yielded negative effects on different economic and social sectors of the country. The main negative effects were very high rates of unemployment (particularly in the rural sector), economic over-concentration in several sectors and a crisis in the financial and banking sector. The gross domestic product (GDP) between 1990 and 1995 registered an annual average growth of 4.7%, but with severe annual fluctuations. A deep economic recession hit the country after 1996 and dragged growth down to less than 1%. Likewise, the situation in public finance shifted from a surplus in 1990 equivalent to 3.9% of GDP to a fiscal deficit in 1999 of 5.4% of GDP. The unemployment rate in 1994 was 7.1%, but reached 19.2% in 2000. Inflation reached 7.5% for 2001 and is expected to remain under control (6.2% in 2002). However, by the end of 2002, GDP growth was estimated at 1.6%, and the deficit for the consolidated public sector had reached 4.0% of GDP.

5. A new agreement with the International Monetary Fund was signed at the beginning of 2003. Compliance with this agreement requires reaching consolidated public sector deficit targets of 2.5% and 2.1% of GDP for 2003 and 2004, which will depend on the adoption of crucial policy measures to reduce the fiscal deficit. As a result, the NDP goals have been defined as 'austere'. The annual GDP growth rate is to be 2.0% in 2003, 3.3% in 2004 and 3.6% in 2005. This would require that the average growth rate in gross investment should reach 15.5% per year. External financing for the public sector is estimated at 0.5% of GDP for the next four years (approximately USD 500 million per year). The consolidated public sector deficit should not be over 2.1% of GDP during the period. Therefore, the Government is facing the difficult challenge of both achieving numerous objectives that are related to crucial social programmes and are structurally related to sustainable solutions for political violence, while facing budgetary constraints in the relevant areas. Within this context, the satisfaction of the need for international funds on soft terms to achieve poverty reduction has become of paramount importance.

B. Agricultural Sector

6. In 2001, agriculture contributed 13% to GDP (20% in 1993). Agricultural exports are about 24% of total exports (60% in 1990), and agricultural employment represents 30% of global employment in the Colombian economy. Approximately 4.6 million people were employed in the rural areas of the country. The main crops for international markets are coffee, sugar cane, flowers and tropical fruits. Internal demand for staples is supplied by the production of rice, beans, cassava, plantains, meat and dairy products, fisheries and poultry. There are significant imports of wheat and corn. Protectionist policies sustained Colombian agriculture during the 1970s and 1980s. Sector performance reflected this special status, with average growth rates of 4.5% and 2.7% per decade, respectively, during these two decades.

7. The last decade (1991-2001) showed a completely different performance: the average annual growth rate of agricultural GDP was negative (-1.8%). The economic policies adopted during the 1990s favoured the transition to an open economy, thus demanding more sectoral modernization and specialization in tropical products where competitive advantages could be developed and sustained. The areas under cultivation in traditional crops for domestic consumption and import substitution (mostly annual crops, such as rice, wheat, corn, barley and sorghum) fell by 875 000 ha, while those under permanent crops (sugar cane, palm, tropical fruits) rose by almost 300 000 ha.³ Unfavourable international prices and fitosanitary problems during the 1990s severely affected the coffee sector. The overall negative performance of the sector during the last decade has been viewed as the result of various internal factors: (a) high production costs due to rising interest rates, increasing land rents and

³ Universidad Javeriana, *Cuadernos de Desarrollo Rural*, No. 48, 2002.

sector-unfriendly foreign exchange rate policies;⁴ (b) the lack of a gradual approach towards the lifting of protectionist barriers, which rapidly exposed unprepared subsectors to competitive market conditions; and (c) insecurity and violence caused by escalating armed conflict that increased the costs and the risks of investments in rural areas, weakened rural social capital formation and deepened poverty. These were coupled with external factors, such as plummeting international prices for export goods and, in 1992, one of the harshest dry seasons in Colombian history.

8. Besides the agriculture and livestock sector, Colombia is also home to one of the world's largest biodiversity reserves. This richness is not being adequately managed, however. Adequate management could be a good starting point for the generation of new activities and more income for rural inhabitants.

9. Rural unemployment reached 11.5% in 2002, while the figure was only 4.5% in 1994. Unemployment in rural areas is much higher among women (19%) than it is among men (5.2%). In addition, unemployment is concentrated among the poorest groups in the population. According to recent data, between 1994 and 2000, there was a reduction by approximately 400 000 in the number of rural workers. This figure is consistent with the growth in the landless rural population by about 500 000 people over the same period.

10. Approximately 43% of the total available land area, equivalent to 49 million ha, is being used for agrarian activities, including crops, pastures and forests. However, while the country's potential for agricultural crop production runs close to 14 million ha, only 4.4 million ha (31% of the potential), are estimated to be under cultivation; the balance has been converted to pasture. The pattern of land tenancy is highly skewed. Almost half of the production units (46.8%) registered in 1995 were small farms in the 0-to-5-ha range that occupied barely 3.2% of the total agricultural area. Those units of 200 ha or more accounted for 40% of the total area; it is worth noting that only 2.5% of the area occupied by these holdings was dedicated to agriculture.⁵ Land redistribution has been a critical policy issue for more than 60 years.⁶ Despite numerous attempts at agrarian reform, Colombia still exhibits a high pattern of income concentration, with a Gini coefficient of 0.87. This phenomenon is largely explained by the existence of tax incentives for agriculture and the disproportionate protection of the livestock subsector; a more recent trend towards greater concentration is due to land purchases by 'drug barons'⁷ and to the violent conflict that is compelling rural people to abandon the land.

11. The rural population represents about 2.4 million households. It is estimated that there are approximately 1.4 million farms in the country. Of this number, 1.1 million are small-scale land holders. Therefore, almost 1.3 million rural families are among the 'pure landless' rural population; 50% are permanent rural workers on medium and large farms, and the rest constitute an enormous segment within the rural population that has developed numerous survival strategies. Thus, rural employment in services, commerce and other non-agricultural activities increased from 18% in 1978 to 36% in 1993 and almost 52% in 2000.

12. The loss of more than a half million hectares of cultivated land has reduced employment opportunities, and those without work can no longer be absorbed by the urban sector. The result has been a shift towards illicit crop production or enlistment in the various armed groups, thereby compounding the problems of violence and insecurity that are further discouraging investment and provoking displacement.

⁴ Between 1990 and 1999, effective annual average interest rates reached 39.7%. Liberalization measures opened the door to foreign capital; this influx resulted in an overvalued peso, thus reducing the competitiveness of Colombian exports. (Source: Banco de la República.)

⁵ Rural mission, 1998.

⁶ Law 200 was passed in 1936.

⁷ Reyes, Alejandro, 'La compra de tierras por narcotraficantes en Colombia', 1995.

13. Structural reforms carried out during the 1990s modified or dismantled public institutions and major policy instruments favourable for the agricultural sector and, particularly, for smallholders. The measures addressed three main elements: (a) prices, with the purpose of aligning domestic and international prices; (b) organizational structures, which included the downsizing and elimination of government agencies and increased private participation, particularly in marketing and technological development. Practically all support services for medium and small farmers were reformed or drastically reduced. A major agricultural research and extension institution was decentralized, and extension services were transferred to local authorities through extension units at the municipal level. Public sector services for the marketing of agricultural goods were closed. The geographical coverage and the size of the clientele base of the largest agricultural public bank (the *Caja Agraria*) were drastically reduced. The application of 'hard' financing regulations in the banking sector left thousands of traditional borrowers without access to credit. In brief, this set of reforms fell short of expectations because it did not generate a sufficient foundation for change in public sector management or private participation. The ability of the State to promote collective action and satisfy social demands was not appreciably enhanced.⁸ As a response to the problems created during the 1990s, the Government recognizes the need for deeper and more adequate institutional change in the policy objectives established in the NDP reforms aimed at the construction of a 'community-oriented State' (*Estado Comunitario*).

C. Rural Poverty

14. Poverty affects a significant proportion of the Colombian population. The most recent available indicators show that 60% of the population had incomes below the income poverty line in 2000. The poor account for 51% of the population in cities. In rural areas, 83% of the population is poor. These figures imply that approximately 26.2 million people in the country are poor. The rural poor represent 10.6 million people (or approximately two million households). Extreme poverty involves 23.4% of the total population. While this phenomenon affects only 16% of the urban population, it reaches almost 44% of rural inhabitants. Therefore, more than half of the rural poor live in conditions of deprivation.

15. Through its public investment programmes and, in particular, its integrated rural development projects, the Government of Colombia has succeeded in increasing the access of the rural population to basic services (water, sewerage, electricity, education and health care).⁹ However, this improvement in access to basic services has not led to a parallel reduction in poverty levels measured in terms of income generation. In 1999 and 2000, poverty returned to the levels being registered almost 15 years previously (see table below).

EVOLUTION OF POVERTY (INCOME POVERTY LINE, %)

Year	1978	1988	1995	1999	2000
Poverty rate	94	80	76	80	83
Extreme poverty rate	68	48	40	40	43

Sources: National Planning Department, National Department of Statistics (SISD, No. 31), World Bank (for 1978 and 1988).

16. If poverty is measured using the two-dollar-a-day indicator, poverty affects 30% of the population in rural areas in that this is the share living on less than two dollars a day, while, at the national level, the figure reaches 16%, and, in urban areas, it is only 5%.

⁸ Machado, Absalón and Samacá, H., 'Las Organizaciones del Sector Agropecuario: Un Análisis Institucional', 2000.

⁹ The Unsatisfied Basic Needs Index for the rural population was 68% in 1973, while, in 1993, it went down to 30%.

17. Low incomes, unemployment and lack of access to productive assets are the main causes of rural poverty in the country. Poverty has serious effects on the rural sector. Infant malnutrition is presently at 19%. The average school attendance in rural areas is only 4.4 years (four years less than the urban average). Many rural households still lack basic services. Only 10% of rural households have access to safe drinking water; only 37% have sewerage services, and only 15% have telephone facilities. However, these deficits were larger ten years ago. Indeed, it must be pointed out that the rural electrical network has now reached 88% of all households in the countryside.

18. The poverty conditions are harsher among several especially vulnerable groups in the rural population. The Colombians who are most vulnerable to poverty are rural women, children of all ages and dependants of young heads-of-household with low to intermediate job skills. Afro-Colombians, indigenous people and minority ethnic groups, mostly located in remote rural areas, are among the individuals most affected by poverty. Displacement because of armed conflict is another important cause of the vulnerability of recent migrants from rural areas.

19. **Gender and rural women.** At the national level, the Gender Development Index rose from 0.65 in 1985 to 0.77 in 1995 (SISD, No. 18). Given that a Gender Development Index equal to 1 would indicate absolute gender equity, these figures show a favourable trend for women. Nevertheless, women, especially rural women, still face remarkable disadvantages.

20. Women represent 51.8% of the total population. It is estimated that rural women account for 48% of all rural inhabitants. There has been a significant decline in the number of children per woman during the last 25 years, from 6.7 to 3.1. Rural women have 1.8 more children than do urban women. This is a strong indicator of the profound changes in family structure. There is an increasing share of women in the labour force, and women have less time to devote to childbearing and childraising. There has been a progressive shift in gender roles. While life expectancy is higher among women (74 years against 67 years for men) and several health indicators are more positive among women than among men, the illiteracy rate among rural women was slightly higher (17.3% in 1995) than that among men (16.9%). Today, 78% of girls complete four or more years of schooling, while 80% of boys do so. However, the rate of attendance in high school is higher among women (93%) than among men (90%).

21. Women represent 29.8% of the economically active rural population, and, according to recent data, 51% of women were actively employed in 1997. The greatest imbalance among all indicators is shown by labour incomes: rural women earn, on average, only 22% of the incomes earned by men. Women head 24% of all rural households (approximately 500 000). Of this share, 57% are landless. In rural areas, productive activities are much more diversified among woman-headed households than they are among households headed by men. Women work in agriculture (31%), rural industries (13%), services (25%) and marketing activities (32%). Rural poverty affects 61% of the rural households headed by women, which is the average, but the percentage of rural households living under conditions of extreme poverty is higher when these are headed by women (56%) than when they are headed by men (52%). Violence and political instability in rural areas clearly affect rural women more severely. Among the displaced population, almost 60% are women who abandon their households in order to protect their children, while the men stay behind to try to maintain their farms.

D. Constraints on and Opportunities for Rural Poverty Reduction

22. In Colombia, the extent of rural poverty is directly related to the history of the lack of justice and violence that has affected the poorest and most vulnerable sectors of society. More than one million people have been forced to abandon their land and homes and have seen their scant assets destroyed. However, both the Government and the private sector are making efforts to encourage investments aimed at reducing violence and the vulnerability of the poorest, creating employment opportunities, improving the living conditions of the rural poor and supporting the income-generating activities of these people. IFAD is part of this effort through its programme in support of rural

microenterprises that directly benefits small entrepreneurs and creates linkages with non-governmental organizations (NGOs) and medium-size urban enterprises.

23. The good results obtained in the reduction of unsatisfied basic needs, the extreme cultural and geographical diversity and the great economic potential of the country, together with the determination of social organizations and entrepreneurial initiatives among the poor, constitute a challenge and an opportunity for IFAD to implement new operations in Colombia.

E. National Strategy for Rural Poverty Reduction

24. In Colombia, the formulation and implementation of poverty reduction policies have been features that started in the 1970s and have continued under various government administrations until today. In terms of rural poverty, this process began with the Integrated Rural Development Fund (*Fondo DRI*) in 1975. This programme received external support from the IDB. The IDB, as well as the World Bank, have also supported several projects for agricultural and rural development during the last three decades. PADEMÉR, funded by IFAD beginning in 1996, aims to support the development and consolidation of rural microenterprises as a means to alleviate the rural poverty that affects the landless rural population. Through a significant effort, Colombia raised public social expenditure and nearly doubled the share of these expenditures in GDP during the 1990s. Pro-poor targeting was applied to public social expenditure programmes, concentrating the benefits on the rural poor, with a considerable impact on welfare. The favourable evolution of the unsatisfied basic needs indicator reflects this effort and these achievements.

25. Paradoxically, despite this, growing income poverty, social injustice and violence characterize rural society in Colombia today. Because of the intensity of this growth, particularly after 1995, these factors have become the main obstacle to sustainable rural development. A vicious circle of political violence in the countryside and rural poverty has been established. The Government is well aware that traditional rural development policies are not sufficient to break this circle and that the gravity of the situation calls for a wider and more profound policy approach. The proposed NDP includes seven main strategies, and each of these includes actions that involve the rural population. In particular, the protection and promotion of rural citizens, together with the recognition of the importance of rural life for Colombian democracy, are behind the strategy for the 'social management' of rural Colombia (*manejo social del campo*), one of the seven programme proposals of the NDP. The approach is coherent with IFAD's regional strategy since the approach includes the following objectives and features:

- The fight against poverty and economic stagnation involves the provision of full support for both agricultural and non-agricultural business opportunities that are developed under the umbrella of extensive social alliances and coalitions among rural producers, rural entrepreneurs, cooperatives (and similar associations based on reciprocity), NGOs and other economic agents. These opportunities must have a significant potential to add value, generate income and employment and promote justice in rural society. The transformation of supply networks and mini-networks, based on sectoral and regional agreements, is one of the key policy instruments in this area.
- Transformation depends on integration. Thus, exchanges and synergies between rural areas and urban centres will be stimulated, taking into account the economic and social corridors that link rural areas and urban centres.
- The strategy is highly dependent on strengthening rural community-based organizations and rural social capital in general. Such strengthening will, in turn, support active participation and provide an adequate environment for the development of trust, particularly at the local level.

- Investments in basic infrastructure (mostly basic services and roads) and productive assets (including better access to land, capital, information and knowledge) will require carefully devised regional targeting mechanisms. Land and resource use planning will be crucial.
- Finally, the strategy is grounded on the efficient functioning of financial markets (microfinance and investment capital), as well as on the efficient operation of dynamic, competitive markets for goods and services of interest to rural areas and important for rural activities.

26. Notwithstanding, there is substantial concern about the real national capacity effectively to implement this extensive set of strategies, programmes, legal frameworks and proposed activities, or, even more significantly, to have a considerable impact in a timely manner. In particular, it has been pointed out that:

- The implementation of the policies will take place within a context of budgetary restrictions and limited fiscal room to manoeuvre. This means that coherence and coordination will be required in the allocation of public and private resources, as well as of development aid and credit coming from overseas
- Institutional adjustment, involving the transition to a 'community-oriented State', will entail downsizing, streamlining and decentralization, as well as institutional strengthening. The new organizations, together with their civil counterparts, will be unable to counter poverty and social exclusion or effectively promote rural development unless they are exposed to the best practices, policy dialogue and innovative approaches to problem-solving.

27. The Government requested IFAD's support in order to prepare and implement more effectively most of the newly proposed policies and programmes because of IFAD's successful experience in conflict and post-conflict countries in the region. This support is seen not merely in terms of financial contributions, but, even more, as the transfer of experience and access to innovative approaches and 'ways of doing', and it would be part of IFAD's contribution in support of the United Nations system's contribution to peace-building.

III. LESSONS FROM IFAD'S EXPERIENCE IN COLOMBIA

28. **Current strategy and operations.** IFAD launched a brief strategic study and a general identification mission in 1993 following a specific request from the Government. As a result of this work, IFAD resumed operations in 1996 through the approval of Loan 426-CO (PADEMÉR). This programme was launched in 1998 and is currently being implemented. PADEMÉR was based on the diagnosis and strategic guidelines established through the studies mentioned above. At the time, the situation of rural poverty, the growing importance of non-agricultural production for the rural population, particularly the landless, and the need for specific policies to support rural microenterprises had already been identified, establishing the basis for a specific IFAD strategy centred on these aspects. The government decentralization process that had been legally established during those years, as well as the anticipated performance of the agricultural sector, probably explains the overestimation of the effectiveness of the proposed strategy and programme.

29. Colombia has also benefited from regional IFAD-funded grants for rural development training. The programme for the Regional Institution for Rural Development Training in Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay significantly influenced the design and implementation of the World Bank-financed National Programme for the Transfer of Agricultural Technology. The Programme for Strengthening the Regional Capacity for Evaluation of Rural Poverty Alleviation Projects in Latin America and the Caribbean and the Regional Training Programme in Rural

Development have also contributed to policy development, training, experience-sharing and project design and implementation. In 2001, the Association of Peasant and Indigenous Women of Boyacá, a Colombian NGO, received an IFAD grant through the Extended Cooperation Programme for a total of USD 45 000 (the Microenterprise Development Project for Women in Boyacá Department). This project is geared towards strengthening microenterprises run by women from poor rural households through the provision of non-financial services, such as business training, planning and marketing assistance.

30. **Lessons learned.** Since 1998, IFAD's intervention in Colombia has focused on the provision of financial assistance, help in conceptual orientation and technical backstopping for the development of rural microenterprises.

31. The lack of effective management over sectoral interests has negatively affected a number of PADEMÉR activities.¹⁰ From this experience, several lessons have been drawn: (a) the need for better interinstitutional coordination, especially in interministerial initiatives; (b) the lack of effective grass-roots participation, as well as the distance between the service suppliers and officers (in the capital) and the local authorities and stakeholders, needs to be addressed.

32. IFAD's previous intervention has proven the potential of rural microenterprises in the achievement of major development policy goals, such as the generation of rural incomes, the raising of production and productivity, and enhancement of the intrinsic and market value of rural assets (including rural life, culture and ethnic roots), which are generally undervalued and underrated. The development of rural microenterprises in targeted areas of the country also favours the reconstruction of social capital. Of significant importance as well are the employment opportunities generated by the Project for Youth, which helps contain the recruitment of unemployed young people by violent groups:

- IFAD's approach has reinforced the value of demand-oriented schemes for resource allocation. Public funds have been channelled to competing service providers on behalf of rural communities, following transparent, democratic procedures and clear rules and technical criteria. Project beneficiaries have participated in the decision-making process alongside experts and municipal representatives. Open competitions have stimulated the emergence of regional markets for technical assistance in rural microbusiness development, production and processing, marketing, and administrative and financial management, among other areas.
- Notwithstanding the absence of a national policy for the development of rural financial services¹¹ and the limited scale of IFAD's intervention, the experience has been positive. It has included: (a) the development of local and regional capacity to offer microcredit services;¹² (b) the evaluation of all sorts of public goods and their use to guarantee microloans; (c) the establishment of decentralized customer-oriented services that rely on simplified procedures and short disbursement periods; (d) the provision of credit at real, unsubsidized interest rates; and (e) the design and use of incentives that reward rural microenterprises with good credit-standing and stimulate capitalization in rural areas (investment in machinery, equipment, technological innovation, etc.). Successful rural

¹⁰ The programme was supposed to be directed by a steering committee including representatives of the Ministry of Agriculture and Rural Development and the Ministry of Development (in charge of the National Microenterprise Programme). Competition for funds and in decision-making between the two ministries led to failures in programme activities during the first two years of execution.

¹¹ The National Planning Department (DNP) and the World Bank are currently conducting sector-focus studies with the objective of identifying appropriate policies in this area.

¹² Suppliers include financial NGOs, community-based revolving savings and loan funds, regional financial cooperatives and other private financial agents.

microenterprises have helped rural communities form solidarity funds, with technical assistance that is subcontracted through the IFAD operation.

- Targeting has been based on regional productive potential, regional development plans and the possibility of establishing linkages with larger recycling networks along rural-urban corridors and within large agricultural enterprises. This last approach, for example, led to the identification of business opportunities for rural microenterprises in the recycling of materials for commercial banana plantations.
- Sectoral constraints under the budget of the Ministry of Agriculture and Rural Development (MARD) impose serious limitations on the expansion and replication of programme activities. Budgetary coordination between different areas of the Government could represent a solution in the effort to overcome these limitations. The National Planning Department (DNP) should play a central, ongoing role in the pursuit of these types of arrangements. Otherwise, the impact of successful programme activities will always be too confined.

33. The implementation of activities among rural microenterprises and the replication of this type of initiative will take into account the following guidelines:

- **Target more and effectively:** Successful interventions at the local and regional levels should be the basis for the replication and expansion of rural microenterprise activities to other selected regions.
- **Foster local empowerment:** IFAD's approach has involved the introduction of important institutional changes in an attempt to reshape the relationship between the State and civil society. Through the gradual establishment of trust and transparency, it has striven to manage and regulate the participation and intervention of different organizations (NGOs, community-based groups, municipal authorities, microfinance agencies, universities, MARD, etc.). This 'rule-setting' function has been critical to the innovation, creativity, profitability, sustainability and development of competitive advantages for income-generating rural microenterprises. Consensus-building about the 'rules of the game' will occur at several levels. Competitive agreements and productive alliances will establish general frameworks. For example, protocols on supply and product quality will be essential for recycling network agreements, and a different set of rules will be required to regulate the competitive supply of technical and managerial assistance.
- **Promote a catalytic effect:** The lessons learned as a result of the implementation of PADEMÉR need to be documented and transferred to other areas of Government, including the new decentralized agency that is expected to take over.¹³ The innovations introduced by PADEMÉR should lead to policy dialogue with national and local public and private agents and peasant organizations. The exploitation of resources useful for rural development in other areas of the Government (besides MARD) should be the focus of a strategic policy guideline so as to cope with the dimensions and seriousness of the problems in rural areas.

¹³ An institute for rural development would presumably replace four existing institutions: the Colombian Institute for Agrarian Reform, the National Institute for Irrigation and Land Preparation (INAT), the Integrated Rural Development Fund (*Fondo DRI*) and the National Institute for Fisheries and Aquaculture.

IV. STRATEGIC FRAMEWORK FOR IFAD

A. IFAD's Strategic Niche and Proposed Thrusts

34. The COSOP mission has noted the Government's firm determination to defeat poverty, achieve peace and promote development in rural Colombia. In this respect, the new administration has expressed its commitment to support community-inspired initiatives that aim at generating income and employment, while creating social capital. Sustainable rural development is the only possible long-term way to defeat political and social violence in rural areas.

35. Official data indicate that over 80% of rural citizens face poverty and that poverty has become more widespread over time. It is also evident that only 43% of rural inhabitants today depend solely on agricultural activities for income and employment, compared to 80% in 1965. This downward trend is likely to continue. These factors are crucial in understanding that the approach to the solution to the rural poverty challenge cannot be restricted to the agricultural sector. The rural poor are no longer typically small farmers seeking to increase the productivity of single crops on meagre plots. They are now more often members of a microentrepreneurial family structure with diverse interests in resource, product and service markets. Funded by IFAD, PADEMÉR was planned based on this analysis and profile of rural poverty and the rural poor in the country. However, the effects of the difficult environment, as well as several of the lessons learned during implementation, mean that the approach must be adjusted and reinforced. Therefore, the current government strategy emphasizes the opportunities offered by microenterprises and other alliances and agreements for social and economic cooperation. This multifaceted anti-poverty strategy, based on local and regional identities, takes account of the potential of the rural world and of the villages, towns and cities of Colombia.

36. The Government is actively seeking ways to design innovative *strategies and instruments to cement closer ties with rural society*. This will probably involve a combination of social investments in public goods, services and externalities, together with the implementation of flexible mechanisms for the efficient allocation of public funds to those creative initiatives that will be embraced by the rural poor. It will also involve the provision of support for the development of relevant local and regional markets. However, this approach still lacks a clear strategy, including policies, procedures and resources, that will foster the required linkages between the initiatives of citizens and the State's will to buttress these initiatives.

37. The creation of appropriate approaches, the sharing of experiences and assistance to the Government in the design and adoption of adequate tools to achieve the objectives mentioned above represents IFAD's niche and IFAD's role given the current situation in Colombia. Therefore, local empowerment and the promotion and development of access to relevant markets for the rural poor would be core components in the proposed strategy for Colombia. These three main thrusts characterize IFAD's strategic framework for development and poverty reduction in rural areas of the Latin America and the Caribbean region.

B. Main Opportunities for Innovations and Project Interventions

38. Colombia provides a wide spectrum of opportunities for IFAD interventions and, especially, for the consolidation of IFAD's role as an active agent for innovation in rural development and rural poverty reduction and expertise in conflict and post-conflict situations. In this sense, the Government sees the opportunities for IFAD framed within the following guidelines:

- The enhancement of IFAD's intervention by building on PADEMÉR, its experience and spin-offs, as well as by initiating a new project (see below).
- The provision of support for social capital formation. The NDP emphasizes the role of alliances and innovative cooperation arrangements involving community-based

organizations, private entrepreneurs and public agencies. This opens up the possibility of investment in rural social capital formation in areas that are tied to key policy issues (namely, rural microenterprises, access to rural technical and financial services, income generation through small systems for processes to add value and strategies to develop public goods).

- The enhancement of the catalytic role of IFAD's approach through the provision of support for institutional change, policy dialogue, innovation and communication, and the strengthening of links with other IFAD initiatives in Latin America.

39. A set of thematic areas of opportunity and policy have been identified in which IFAD's experience is of extreme interest to Colombia:

- *The development of markets for rural financial services* (different from agricultural credit): One of the main deficiencies that became clear during the implementation of PADEMÉR¹⁴ is the lack of rural financial services that are responsive to the needs of small and poor rural economic agents and organizations. IFAD's operations could contribute to the generation of innovative systems, products and mechanisms for the provision of sustainable and efficient rural financial services (in particular savings, microinsurance and transfer services) based on a network of private institutions and on the needs of individuals and businesses in rural areas. Support could be provided in order to widen coverage, improve technology, reduce service costs, offer advice on risks and enhance the assets of these rural financial service suppliers.
- *The development of specialized non-financial service markets*, which involves the creation of markets for the provision of technical assistance (for production, processing, commerce, legal affairs, etc.). These services would be contracted directly by the beneficiaries, ideally through local suppliers subject to market conditions.
- *Support for the development of income-generating rural microenterprises* that would contribute to diversification, reduce risks and stimulate linkages and alliances with larger businesses and service providers within a framework of small networks for value-added processing.¹⁵
- *Support for initiatives aimed at the sustainable management of natural resources and land and at increasing the value of biological and cultural patrimony* through the allocation of monetary incentives for proposals (ideas) and achievements (results) emanating from local communities and their organizations.
- *The development of social and economic 'corridors'* for the purpose of linking rural areas, villages and towns without compromising local identities or differences.

40. These are the main areas of innovation in which IFAD could play a significant role in the improvement of current government policies and programmes. In fact, a review of the NDP indicates that there are approximately 30 programmes and projects the objectives and coverage of which have a close relationship with rural development and rural poverty reduction. It is important to note that most of these initiatives are not being executed by MARD. For example, the Ministry of Transport is the executing agency of the large rural roads programme (*Vías para la Paz*), which is going to be

¹⁴ Upon completion by the end of 2004, PADEMÉR will have contributed to the development of successful rural microenterprises in selected areas of Colombia.

¹⁵ The concept of adding value is preferred to that of the production system. The objective is not to increase production or factor productivity, but rather to generate value (income) and transfer it to the rural poor and into their tangible and non-tangible assets.

implemented by local and rural microenterprises; the Office of the President is directly responsible for several projects that deal with rural development in selected regions (focused on displaced persons) and land reform projects, as well as with other projects that deal with indigenous populations; the Ministry of the Interior is responsible for promoting the development of rural municipal associations as a means to enhance grass-roots participation; financial institutions are formulating rules and promoting institutions for microfinancing including in rural areas; MARD is actively promoting a reform of rural technical services through the upgrading of extension units at the municipal level and consolidation among rural municipal associations, etc. In view of this situation, IFAD should combine new operations with the more effective implementation of ongoing operations (i.e. PADEMÉR) and, in both cases, play a crucial role in the introduction of innovations.

41. This strategy also involves the integration of the lessons learned as a result of the implementation of PADEMÉR. It raises essential questions about the process for the identification and selection of regional targets for intervention. Adequate regional targeting is particularly relevant in the context of the current political and fiscal crisis. The adoption of criteria that take into account joint investments with other sectors is strongly recommended. IFAD's experience would be transferred by means of specific investments (projects), which would be supplemented by exchange visits ('learning routes') to other IFAD projects in the region. Relevant experiences would be sought and adapted to the conditions in Colombia. These activities would provide inputs for a permanent policy dialogue regarding rural development and anti-poverty objectives and policy priorities as established in the NDP. This would also highlight the catalytic role of IFAD activities, while enabling potential synergies with other funding agencies.

C. Outreach and Partnership Possibilities with NGOs and the Private Sector

42. Very often, in the most dangerous rural areas of the country, national NGOs are the only institutions that are active in the field. Within PADEMÉR, technical assistance and rural financial services are provided by NGOs, some of which are private foundations created as a result of a sense of social responsibility and solidarity among private enterprises. The Department for International Development (United Kingdom) is supporting an interesting programme to assist rural NGOs by building up their capacities and reinforcing their human and organizational capital. In Colombia, it is not possible to undertake sustainable actions and aim at replication in remote rural areas without the cooperation of national NGOs. The IFAD-financed programme is working closely with NGOs, and any new operation in Colombia would follow this lead.

D. Opportunities for Linkages with Other Donors and Institutions

43. The externally financed portfolio of Colombia is currently the equivalent of approximately USD 6.3 billion. This includes 83 projects (loans), of which 15 are still effective for an amount of USD 1.4 billion. The IDB is the largest financing agent, with 41 projects and a total lending programme of approximately USD 3.0 billion. The World Bank is second with 27 projects valued at USD 1.9 billion, and the Andean Development Corporation (CAF) is the third main external financing agent with three projects valued a USD 430 million. The rest includes IFAD and bilateral financing. (See Appendix V for more details.) Most of these resources are ordinary loans without any concessionality. An analysis of this portfolio shows that almost USD 2.0 billion are invested in projects that are directly or indirectly related to rural and agricultural development, as well as to assistance to displaced populations that have been victims of political violence.

44. The IDB is financing projects to support land reform and land titling, as well as agricultural credit institutions (Bancoldex) and some regional development programmes that cover urban and rural areas. IDB projects are being executed mainly by MARD and related agencies, including the National Institute for Irrigation and Land Preparation (INAT) and the Financial Agency for Territorial Development (FINDETER), but there are also other government agencies involved, such as Mindesarrollo, local governments and the Office of the President (the Investment Fund for Peace).

The World Bank is financing the modernization of agricultural technology transfer systems under the National Programme for the Transfer of Agricultural Technology (PRONATTA) and the *Alianzas Productivas para la Paz* Project with MARD. In addition, it is also participating in the financing of regional development programmes that cover urban and rural areas (with FINDETER and the Office of the President as executing agencies). CAF is the main financing agency for the large rural roads programme (*Vías para la Paz*). The executing agency is the Office of the President (the Investment Fund for Peace) and the Ministry of Transport.

45. Discussions have been held with national executing agencies and external financing organizations in order to discover better ways to coordinate actions and identify strategic linkages for the future. MARD is fostering a close coordination between PADEMÉR and the World Bank-funded *Alianzas Productivas para la Paz* Project. The basic idea is to concentrate activities in the same areas (to be selected) and promote strategic partnerships between rural microenterprises and medium and large firms supported by the World Bank programme.

46. The linkage with CAF and the *Vías para la Paz* programme would involve PADEMÉR as an instrument for the organization and training of rural microenterprises for the construction of rural roads and as a source of financing for these rural microenterprises. The Office of the President (the Investment Fund for Peace) and the Ministry of Transport, as well as CAF, are quite interested in coordinating efforts with PADEMÉR to start these activities during the current year.

47. The United Nations system (the United Nations Development Programme, as well as the Special Bureau for Conflict Areas) should be aware of IFAD initiatives. The crucial issue of the determination of focal areas for the implementation of projects depends heavily on the joint work of the Government and these agencies. Last, but not least, the efforts of the European Union to coordinate technical and financial assistance for selected areas should also be taken into account in any future IFAD activities in the country.

E. Areas for Policy Dialogue

48. Policy dialogue between IFAD and the Government should not be restricted to MARD. The difficult situation in the rural sector in Colombia requires the involvement of various institutions and, particularly, of those Government offices with the main responsibility for the coordination of public resource allocation and the provision of high-level decisions over the various sectors and ministries. Therefore, it is highly recommended that policy dialogue should always include the DNP, as well as the advisors to the Office of the President. MARD and the other institutions active in agriculture and rural areas (e.g. Agricultural Sector Financing Fund (FINAGRO) and INAT), as well as other ministries directly or indirectly involved in rural development and rural poverty reduction policies should participate in the policy dialogue under the coordination of the entities mentioned above.

49. The main areas for policy dialogue include:

- **The enhancement of local empowerment and the strengthening of rural social capital.** Stronger, more cohesive and more highly qualified rural organizations would enable communities and, especially, the rural poor to make full use of incentives and other available opportunities. The restoration of confidence and security involves the reknitting of the ties that have been severed by social conflict and violence in rural areas. This involves raising the capacity of local entities and organizations so they can effectively influence policy and public institutions. Increased leverage in the resolution of the issues that affect their lives and interests would also allow them to engage in strategic alliances, which are especially relevant in production and supply systems and cluster-type arrangements. The Government and IFAD should continue to consolidate efforts to promote and achieve gender equity, as well as to pay particular attention to support for activities in favour of indigenous and ethnic minorities.

- **The enhancement of access to assets and services.** Direct access, as opposed to trickle-down approaches, is a more effective strategy to counter poverty and exclusion. A more equitable access to natural capital assets (for the production of goods, as well as environmental services), rural financial services, technology and information, infrastructure and human capital formation would stimulate growth, employment and income diversification opportunities among the rural poor.
- **Opening markets.** Facilitating the access to financial markets and services (including savings) and increasing the ability to negotiate of rural organizations vis-à-vis internal and external markets for their goods are essential conditions for the success of small farm and off-farm enterprises. This line of action recognizes the dynamic interchange between rural and urban sectors and builds on the potential to counter rural poverty and to expand the array of sustainable, alternative livelihoods available in rural Colombia.

50. Policy dialogue involving public and private agencies, peasant organizations, academics, international financial institutions and other funding institutions would also contribute to favourable institutional change. However, such dialogue must be supplemented by specific recommendations on the ways and means to implement the change. The dialogue should also take into account the discussions surrounding the Agrovision 2025 project, an initiative sponsored by leading institutions, such as DNP, MADR, Colombia Corporation International and the Agricultural Studies Centre, and its relationship to rural development and rural poverty reduction policies.

F. Action Areas for Improving Portfolio Management

51. In the case of PADEMÉR, effective coordination with other ministries is highly recommended. This should be agreed upon and carried out with DNP, as well as with MARD, and under the close supervision of the Office of the President. The basic reforms to be introduced during programme implementation would be as follows:

- The establishment of alliances with projects in other areas of the country in order to complement the funding of those projects with PADEMÉR resources. The *Vías para la Paz* programme should be one of these programmes (Ministry of Transport), as well as the *Redes Solidarias* (Solidarity Networks) Programme (Office of the President), among others.
- These programmes have budget ceilings that are higher than the ones imposed on MARD over the next four years. It has been proposed that part of the ‘idle’ resources of PADEMÉR should be used and channelled through these programmes. This would allow more rapid disbursements of the IFAD loan.

52. MARD’s role as the main executing agency for PADEMÉR is not under discussion. The proposal is to increase the capacity of MARD to handle more expenditures within the severe budget constraints that will characterize the next four years.

G. Tentative Lending Framework and Rolling Programme of Work

53. IFAD’s strategy regarding future investments in Colombia has been discussed with the Government. It has been decided that, given the current conditions for public investment in the fight against rural poverty, the creation of a medium-term investment pipeline is not advisable, but that a flexible and innovative pilot programme should be designed to test the methodologies to be implemented over the short term. This would occur through the Strategic Rural Development Initiatives Support Project and would mean financial support from IFAD of approximately USD 15.0 million.

54. This operation would have the following three main characteristics:

- **Institutional framework.** Rural development in Colombia involves several areas of government. The ongoing coordination of various ministries requires a permanent unit ('think-tank') that has the mandate of monitoring all policies, programmes and projects dealing with these matters and giving constant advice to decision-makers. This unit should be established within the DNP.
- **Area focusing.** The project would have to be implemented in a limited number of priority or pilot areas. The basic idea is to test innovative approaches in small areas in various parts of the country as the Government secures peace and stability. IFAD's innovations would be included in government programmes in rural areas (microfinance; microenterprises; technical support services; support for rural women; assistance to indigenous communities and ethnic minorities; rural roads, etc.) that are to be concentrated in the pilot regions. The executing agencies for the various regions and activities would be determined according to the local situation.
- **Multisectoral integrated actions.** The basic project concept is to launch a global 'assault' on most of the causes of rural poverty and to concentrate on a few specific, restricted areas, using all the tools available to the Government (that is, the national programmes and institutions included in the NDP) and operational mechanisms likely to encourage close involvement with local public authorities and the enhancement of active grass-roots participation. The main thrust would be to test, at the local level, the effectiveness of this approach, which would include the main IFAD innovations, as well as effective government coordination mechanisms. If the test is successful at this scale, then the replication of the project would be the next strategic step, i.e. the expansion to other areas, changes in the institutional framework, the adaptation of existing legal instruments for budgeting and resource allocation, the adoption of new monitoring mechanisms, etc.

55. This proposal has been discussed with public authorities (presidential advisors, DNP, MARD, Ministry of Transport, etc.), as well as with private groups, NGOs and civil-society organizations. Discussion and consultation have contributed in the identification of an innovative approach to combat poverty and inequality in rural Colombia: learning by doing with a high potential for replication in larger areas of the countryside.

56. The first new operation could be cofinanced by the Organization of the Petroleum Exporting Countries Fund for International Development, as well as by CAF. The size of this operation and the type of proposed financing are consistent with the current government policy towards external indebtedness and with the agreements between the Government and the International Monetary Fund.

APPENDIX I

COUNTRY DATA

COLOMBIA

Land area (km² thousand) 2001 a/	1 039	Gross national income per capita (USD) 2001 a/	1 890
Total population (million) 2001 a/	43.04	GDP per capita growth (annual %) 2000 a/	-0.3
Population density (people per km²) 2001 a/	41	Inflation, consumer prices (annual %) 2001 a/	9
Local currency	Colombian peso (COP)	Exchange rate: USD 1.00 =	COP 2 800
Social Indicators		Economic Indicators	
Population (average annual population growth rate) 1995-2001 a/	1.0	GDP (USD million) 2001 a/	82 410
Crude birth rate (per thousand people) 2001 a/	22	Average annual rate of growth of GDP a/	
Crude death rate (per thousand people) 2001 a/	6	–1981-1991	3.8
Infant mortality rate (per thousand live births) 2001 a/	19	–1991-2002	2.5
Life expectancy at birth (years) 2001 a/	72	Sectoral distribution of GDP, 2001 a/	
Number of rural poor (million) (approximate) a/	12.5	–% agriculture	13
Poor (as % of total rural population) a/	29.0	–% industry	30
Total labour force (million) 2001 a/	18.94	–% manufacturing	16
Female labour force (as % of total) 2001 a/	39	–% services	57
Education		Consumption, 2001 a/	
School enrolment, primary (% gross) 2001 a/	112 b/	General government final consumption expenditure (as % of GDP)	21
Adult illiteracy rate (% age 15 and above) 2001 a/	8	Household final consumption expenditure, etc. (as % of GDP)	64
Nutrition		Gross domestic savings (as % of GDP)	15
Daily calorie supply per capita, 1997 c/	2 597	Balance of Payments (USD million)	
Malnutrition prevalence, height-for-age (% of children under 5) 2001 d/	14	Merchandise exports, 2001 a/	12 257
Malnutrition prevalence, weight-for-age (% of children under 5) 2001 d/	7	Merchandise imports, 2001 a/	12 834
Health		Balance of merchandise trade	-577
Health expenditure, total (as % of GDP) 2001 a/	10 b/	Current account balance (USD million)	
Physicians (per thousand people) 2001 a/	n/a	–before official transfers, 2001 a/	-4 184
Population using improved water sources (%) 2000 d/	91	–after official transfers, 2001 a/	-1 788
Population with access to essential drugs (%) 1999 d/	80-94	Foreign direct investment, net, 2001 a/	2 287
Population using adequate sanitation facilities (%) 2000 d/	86	Government Finance	
Agriculture and Food		Overall budget deficit (including grants) (as % of GDP) 2001 a/	-7 b/
Food imports (% of merchandise imports) 2001 a/	12	Total expenditure (% of GDP) 2001 a/	19 b/
Fertilizer consumption (hundreds of grams per ha of arable land) 2000 a/	2 335	Total external debt (USD million) 2001 a/	36 699
Food production index (1989-91=100) 2001 a/	122	Present value of debt (as % of gross national income), 2001 a/	47
Cereal yield (kg per ha) 2001 a/	3 268	Total debt service (% of exports of goods and services) 2001 a/	36
Land Use		Lending interest rate (%) 2001 a/	21
Arable land (as % of land area) 2000 a/	3	Deposit interest rate (%) 2001 a/	12
Forest area (as % of total land area) 2000 a/	48		
Irrigated land (as % of cropland) 2000 a/	19		

a/ World Bank, *World Development Indicators*, CD ROM 2003.

b/ Data are for years or periods other than those specified.

c/ United Nations Development Programme, *Human Development Report*, 2000.

d/ United Nations Development Programme, *Human Development Report*, 2003.

APPENDIX II

LOGICAL FRAMEWORK

Narrative Summary	Verifiable Indicators	Means of Verification	Assumptions/Risks
Goal			
<p>Rural poverty reduced (incidence and severity) by means of facilitating access of the rural poor to assets, services and markets that may enable them to sustainably diversify and improve their production and productivity, employment rate and incomes; preserving gender equity and the natural environment</p>	<ul style="list-style-type: none"> • Reduction of rural poverty indicators • Improvement in gender equity indicators • Increase in quantity, quality and value of natural resources 	<ul style="list-style-type: none"> • Studies on poverty • National household surveys • Programme impact • Evaluation, gender studies • Natural resource monitoring studies 	<ul style="list-style-type: none"> • The Government's agenda for rural development and rural poverty reduction stays a high priority • NDP projections and macroeconomic conditions maintained • Public investment with external funds is not reduced
Purpose			
<p>Support strategic initiatives for rural development and rural poverty reduction</p> <p>Support government efforts and policies for rural poverty reduction and rural development by introducing innovations in rural financial services, rural technical services, fostering rural microenterprises, gender equity approaches and regional development</p> <p>Improvement of government policies and programmes for contact with rural areas through the introduction of improved targeting, grass-roots participation and institutional coordination mechanisms</p> <p>Increase in the amount and value of the natural and biological resources</p>	<ul style="list-style-type: none"> • Improved institutional framework and coordination at national and regional levels • Improved programme and project implementation • Sustainable and effective rural markets for financial and technical services established • Increase of family incomes through agricultural and non-agricultural activities • Strengthened grass-roots organizations operating within an entrepreneurial perspective and generating income for their associates <p>Increase in the amount and quality of natural and biological resources</p>	<ul style="list-style-type: none"> • Performance evaluations of strategic initiatives and programmes • Impact assessments of strategic initiatives and programmes • Studies on poverty • National household surveys • Participatory impact assessments • Reports on NDP-related programmes • Evaluation reports <p>Reports and evaluations by the Government and other organizations</p> <p>Studies on environmental impact and beneficiaries' incomes</p>	<ul style="list-style-type: none"> • Public security in selected regions assured • Political decision to strengthen policies and improve the institutional framework for rural development • Implementation of macroeconomic policies maintaining or raising the competitiveness of national production • Satisfactory development of natural resources and environmental service markets

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

Institution	Strengths	Weaknesses	Opportunities/Risks	Remarks
<p>Office of the President (Senior Advisors and Administrative Department of the Office of the President (DAP))</p>	<ul style="list-style-type: none"> • Small, effective institution, with close linkages at high political and economic levels and with the multilateral and bilateral agencies. • Responsible for coordinating the execution of Plan Colombia (National Plan for Alternative Development (PLANTE) and Red Solidaria programme). • Only institution that could arbitrate between different ministries and able to push joint initiatives. 	<ul style="list-style-type: none"> • During the last government, DAP and the Investment Fund for Peace developed too much independence from the other government agencies. This is being corrected, but there are no clear guidelines for the new organization. 	<ul style="list-style-type: none"> • As the agency responsible for Plan Colombia, it exerts considerable influence on the Government's decisions and policies. • It is interested in promoting coordination and following the implementation of programmes for rural development and rural poverty reduction. 	<ul style="list-style-type: none"> • This office, together with DNP, is the main government counterpart for discussing policies with IFAD. • Highly recommended involving them when planning and monitoring the steps to be followed by IFAD.
<p>National Planning Department (DNP)</p>	<ul style="list-style-type: none"> • The most qualified government agency for the formulation of policies, programmes and projects. <p>Responsible for the preparation and monitoring of the NDP. Responsible for annual budget preparation. Crucial decisions related to programmes to be included, as well as external financing policy. Highly concerned with need for innovations in rural development and rural poverty reduction policies. Great interest in becoming a permanent 'think-tank' for rural development policies and incorporating experiences of IFAD in other countries of the region.</p>	<ul style="list-style-type: none"> • DNP is not a project executing agency. • DNP has limited experience in the close monitoring of rural development and rural poverty reduction programmes. • DNP cannot arbitrate among ministries once annual budget has been approved. 	<ul style="list-style-type: none"> • DNP has expressed its interest in becoming the 'think-tank' for rural development and rural poverty reduction programmes. • DNP wants to establish a specialized unit to learn about experiences in other countries and to use this knowledge as input for the formulation of innovative policies and activities in Colombia. • DNP would also be a permanent monitoring unit for the coordinated implementation of all government programmes related to rural development. • It is interested in combining programmes and donors efforts in order to increase the effectiveness and efficiency of rural poverty reduction policies. 	<ul style="list-style-type: none"> • This office, together with the Office of the President, is the main government counterpart for discussing policies with IFAD. • Highly recommended involving it when planning and monitoring the steps to be followed by IFAD. • DNP approval is needed for all externally financed projects.

Institution	Strengths	Weaknesses	Opportunities/Risks	Remarks
Ministry of Agriculture and Rural Development (MARD)	<ul style="list-style-type: none"> Vast experience in agricultural matters. Executing agency of the most important programme for support of rural microenterprises (PADEMER) financed by IFAD. Interested in coordinating actions with other ministries and organizations (municipalities, associations) to improve rural support services at local level. 	<ul style="list-style-type: none"> Mainly specialized in agricultural development, with less experience in rural development; nonetheless, has expressed interest. Organizational and bureaucratic deficiencies that reduce its efficiency Budget allocations to foster commercial agriculture are larger than those for rural development. Budget allocations to MARD for the next four years diminish during the period. 	<ul style="list-style-type: none"> Cooperation with MARD is needed in the design of policies and strategies, knowledge development, education and training of technicians, resource management, monitoring, evaluation and control of production and farming issues. Present authorities express interest in rural development policies and recognize that this process should include ministries and organizations other than MARD if they are to be effective. 	<ul style="list-style-type: none"> MARD is the executing agency of PADEMER. Although budget allocations for 2003 have been very low, it has expressed its commitment to resolve this situation in the next years. Without MARD consensus, it would be very difficult to carry out an integrated and effective rural development policy.
Local Authorities, Departments and Municipalities	<ul style="list-style-type: none"> Proximity to rural population. Mandate and resources for the functioning of extension units at municipal level. Growing concern because of the lack of coordination of the Government's programmes related to rural development. 	<ul style="list-style-type: none"> Organizational and bureaucratic deficiencies that reduce their efficiency. Low technical level in many extension units in municipalities due to lack of transparent recruitment policies. Weak popular control. 	<ul style="list-style-type: none"> High political decisions to strengthen municipal service quality, especially for technical support services. MARD promotes an improvement programme for extension units at municipal level, including technical services for non-agricultural activities. 	<ul style="list-style-type: none"> Effective involvement of local authorities is crucial to establish policies for close rural contact sought by the Government. Selection of specific areas and municipalities is also crucial to maximize impacts.
Grass-roots Organizations	<ul style="list-style-type: none"> There are many community and productive local organizations that resist not only political violence, but also a systemic financial crisis. 	<ul style="list-style-type: none"> Most show weaknesses in organization, use of opportunities and market integration. 	<ul style="list-style-type: none"> PADEMER has shown that organizations have a significant capacity to develop skills. 	<ul style="list-style-type: none"> A more detailed survey of these organizations, including a brief evaluation of their capacities, is required.
NGOs, Service Providers	<ul style="list-style-type: none"> There are different levels of development and fieldwork. Especially effective when they work directly with grass-roots organizations. The reduction of state services in the 1990's has provided room for more private service NGOs. 	<ul style="list-style-type: none"> Bias towards supply of services instead of demand-driven activities. Weaknesses in managing new initiatives. 	<ul style="list-style-type: none"> Developed NGOs are exist in some regions of the country. Good potential for development, especially in supplying rural technological services. They receive support from the Department for International Development (UK) and other agencies. 	<ul style="list-style-type: none"> A more detailed survey of these organizations, including a brief evaluation of their capacities, is required.

APPENDIX IV

IFAD'S CORPORATE THRUSTS AS RELATED TO THE PROPOSED COUNTRY PROGRAMME

The Proposed Country Programme	IFAD's Strategic Objectives 2002-2006		
	Strengthening the capacity of the rural poor and their organizations	Improving equitable access to productive natural resources and technology	Increasing access to financial assets and markets
Development of markets for rural financial services	Contribute to strengthening small and poor economic agents and organizations.	Support the use of new financial technologies in favour of the poor.	Contribute to the generation of innovative systems, products and mechanisms for the provision of sustainable and efficient rural financial services, in particular savings, micro-insurance and transfers based on a network of private institutions and on demand.
Development of specialized non-financial service markets	Reinforcing the capabilities of local suppliers and helping poor rural producers and their organizations to gain access so as to contract services directly in the marketplace.	Contribute to improving the delivery of technical support services and promote the local supply of technical knowledge.	Create private markets for the provision of technical assistance (for production, processing, trade, legal affairs, etc.). Promote balance between the demand and supply of services by offering incentives to local suppliers and clients.
Support for the development of income-generating rural microenterprises	Strengthen the initiatives of individuals and groups to set up their own businesses.	Enhance the access to management and production technologies for rural microenterprises.	Contribute to diversification and risk reduction and stimulate links and alliances with larger businesses and service providers.
Support for initiatives aimed at the sustainable management of natural resources and land	Contribute to the creation of sustainable livelihoods for the rural poor, their communities and organizations, which are all too often exposed to violence.	Increase the value of the biological and cultural wealth of rural areas and the assets of the rural poor.	Support economic initiatives, such as ecotourism and the management of wildlife.
The development of 'corridors'	Create employment opportunities for rural poor producers by linking their production to villages and towns.	Foster the introduction and use of technology, adding value to rural products.	Facilitating access to markets for rural producers and increasing their negotiating capabilities.

APPENDIX V

ACTIVIDADES EN CURSO Y PREVISTAS DE OTRAS ASOCIACIONES EN EL DESARROLLO

SECTOR	PRESTATARIO	EJECUTOR	PRESTAMISTA NUMERO CRÉDITO	PROYECTO	ESTADO	MONTO USD
Agricultura	NACIÓN	INAT	BID 863	Adecuación de Tierras	PRORROGADO	57 000 000
Agricultura	INAT	INAT	OEFC – JAPON	Adecuación de Tierras - Ariari 1	FIRMADO	69 800 000
Agricultura	NACIÓN	Min. Agricultura	BIRF 7092	Alianzas Productivas para la Paz	FIRMADO	30 000 000
Agricultura	NACIÓN	Min. Agricultura	FIDA 426-CO	Apoyo a la microempresa rural - PADEMÉR	PRORROGADO	15 510 000
Agricultura	NACIÓN	INAT	CHINA	Plan de acción del Alto Patía	PRORROGADO	2 415 750
Agricultura	NACIÓN	FONDO PLANTE	BID 984	PLANTE - Plan Nacional Desarrollo Alternativo	PRORROGADO	50 000 000
Agricultura	NACIÓN	Min. Agricult.	BIRF 3871	PRONATTA Transferencia Técnica	PRORROGADO	51 000 000
Agricultura	NACIÓN	Min. Agricult.	BIRF 4363	LIL Zonas de Reservas Campesinas	FIRMADO	5 000 000
Agricultura	Bancoldex	Bancoldex	BID	Programa de Financiamiento Rural (F.I.A.)	PROGRAMADO	65 000 000
DRU	Findeter	Findeter	BIRF 4345	PDT II - Desarrollo Territorial y desarrollo de infraestructura urbana	FIRMADO	49 000 000
DRU	Findeter	Findeter	BID 1066	PDT II - Desarrollo Territorial y Desarrollo de Infraestructura Urbana	FIRMADO	28 500 000
DRU	NACIÓN	IGAC	BID 1027	Formalización de la propiedad y modernización de la Titulación Predial.	PRORROGADO	14 500 000
DRU	NACIÓN	Min. Desarrollo	BID	Programa de Vivienda	PROGRAMADO	100 000 000
Transporte	NACIÓN	FERROVIAS-INVIAS	BID 706	Corredores Transporte	PRORROGADO	299 754 676
Transporte	NACIÓN	Findeter	BID 1075	Programa Carreteras Departamentales	PRORROGADO	100 000 000

ORGANIZACIONES NO GUBERNAMENTALES

ONG	Proyectos Organización			Prestamista Número de Crédito	Proyecto	Estado	Monto USD
	Sector	Prestatario	Ejecutor				
Minicadena Productiva del Borojé (CIDELPA)	Agricultura, Ambiente	Nación	CIDELPA	Fondo DRI	Desarrollo sostenible y apoyo a las cooperativas de productores de Borojé	Concluido	18 500
CORSEDA Corporación para el desarrollo de la sericultura del Cauca	Sericultura	Nación	Unión Temporal CAFÉ-SEDA Comité Departamental de Cafeteros	PRONATTA	Capacitación en incubación y cría de gusano de seda en sus etapas de joven y adulto para los pequeños sericultores del Cauca	Concluido	38 400
	Sericultura	Nación	Unión Temporal CAFÉ-SEDA Comité Departamental de Cafeteros	PRONATTA	Capacitación en cuatro técnicas artesanales de la Seda, para las familias agremiadas en la Corporación para el Desarrollo de la Sericultura del Cauca	Concluido	44 814
	Sericultura	Nación	Unión Temporal CAFÉ-SEDA Comité Departamental de Cafeteros	PADEMER	Consolidación de la Corporación para el Desarrollo de la Sericultura del Cauca CORSEDA	Concluido	135 185
	Sericultura	Nación	CORSEDA	PADEMER	Fortalecimiento de las áreas Comercial y Organizacional social	Concluido	30 000
Unión Indígena Zona Acaricuara	Artesanal Indígena	Unión Indígena Zona Acaricuara		NOVIB (Agencia Holandesa)	Asistencia en la comercialización de productos artesanales	Concluido	
Fundación Espavé	Ambiental		Espavé	ECOFONDO	Apoyo al programa de desarrollo social y sistemas sostenibles de explotación de los recursos naturales en el Pacífico Colombiano	En proceso	20 000
Asociación de Fruticultores del Municipio de Herran N. Santander	Agricultura		Asociación de Fruticultores del Municipio de Herran N. Santander	SENA Y COSORNOC	Asistencia técnica y fortalecimiento de la base organizacional en 7 municipios del N. Santander	En proceso	
	Agricultura	Ministerio de Agricultura	Asociación de Fruticultores del Municipio de Herran N. Santander	PADEMER	Fortalecer la capacidad empresarial de las organizaciones de base	En proceso	

Asociación Departamental de usuarios de comités ambientales rurales N. Santander	Ambiental		Asociación Departamental de usuarios de comités ambientales rurales N. Santander	CORPONOR	Capacitación y Educación ambiental	Concluido	40 800
	Educación		Asociación Departamental de usuarios de comités ambientales rurales N. Santander	ALCADIAS DEL ZULIA	Capacitación con alternativas de producción	Concluido	12 000
	Educación		Asociación Departamental de usuarios de comités ambientales rurales N. Santander	PRONATTA	Capacitación a usuarios de Comités ambientales rurales de 11 municipios de la Cuenca Mayor del Río Zulia	Concluido	55 000
	Educación		Asociación Departamental de usuarios de comités ambientales rurales N. Santander	CORPONOR	Capacitación y Asistencia Técnica a 115 has de bosque protector productor de los 8 municipios de la cuenca del río Zulia	En proceso	7 600
	Ambiental		Asociación Departamental de usuarios de comités ambientales rurales N. Santander	FPA	Conservación y recuperación de las microcuencas de las veredas Páramo, Ensilada, Cuperena, Los naranjos y Sul Alto del municipio de Santiago departamento del Norte de Santander	En proceso	81 500
Asociación TIERRAGRATA	Agrícola	NACIÓN	Tierragrata		Capacitación Socio empresarial a 300 productores de cacao clonado en 5 municipios del departamento	En Ejecución	12 280
	Pecuario	Departamento	Tierragrata		Evaluación de la industria láctea artesanal en 11 municipios del departamento.	Terminado	3 508
	Ganadero	Departamento	Tierragrata		Diagnóstico del sector ganadero del departamento como insumo para el acuerdo de competitividad	Terminado	5 263

Corporación Solidaria NANYANVA	Salud- RURAL	Fondo FIP - Presidencia de la República - Programa Empleo en Acción.	Nanyanva		Promoción y Prevención de la Salud a Mujeres.	Concluido	12 500
	Urbano-Campoalegre	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Construcción Alcantarillado	Concluido	16 502
	Rural-Natagaima	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Construcción Cancha de Fútbol	Concluido	16 217
	Urbano-Coyaima	Fondo FIP Presidencia de la República, Programa Empleo en Acción	Nanyanva		Pavimentación vía	Concluido	37 857
	Rural-Paicol	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Empedrado de vía	Concluido	24 429
	Urbano-Paicol	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Construcción cancha de fútbol	Concluido	12 587
	Urbano-Paicol	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Empedrado de vías	Concluido	25 816
	Urbano-Guadalupe	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Protección Río	Concluido	37 520
	Urbano-Castilla	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Parque	Concluido	22 623
	Urbano-Natagaima	Fondo FIP - Presidencia de la República - Programa Empleo en Acción	Nanyanva		Alcantarillado	Concluido	26 243
	Rural-Natagaima	Fondo FIP -Presidencia de la República -Programa Empleo en Acción	Nanyanva		Canalización quebrada	Concluido	32 403

Corporación WAIRA	Urbano-rural	Instituto Colombiano de Bienestar Familiar - Huila	Corpowaira		Capacitación de Jóvenes del programa "Atención Integral al joven"	Liquidado	1 607
	Urbano 3 municipios	Centracafé Ltda.	Corpowaira		Recolección, procesamiento y comercialización de semillas de bosque natural en áreas de ecosistemas estratégico del Huila		9 642
	Ambiental	Centracafé Ltda	Corpowaira		Establecer sistema de información sobre el mercado de semillas nativas de Bosque, establecimiento del Fondo Rotatorio		7 500
	Ambiental	Fondo Inversión Para la Paz - Neiva	Corpowaira		Programas comunitarios para la ejecución del proyecto Recuperación y reforestación de la ronda de la quebrada La Chorrera.		13 372
	Ambiental	Convenio Fondo de Inversión para la Paz – CAM - Waira	Corpowaira		Proyectos comunitarios, para la ejecución, recuperación y limpieza de rondas de quebradas urbanas.	Liquidado	13 213
	Ambiental	Centracafé Ltda.	Corpowaira		Gestión ambiental urbana en los Humedales del oriente de Neiva	En ejecución	13 213
Fundación para el Desarrollo Integral de la Amazonía FUNDEINAMA	Agropecuario	Municipio de Doncello - Gobernación del Caquetá	FUNDEINAMA	Fondo DRI, Fondo Nacional de Regalías	Reforestación áreas críticas en la microcuenca de los ríos Doncello y Anaya. Municipio de Docello.	Ejecutado	33 356
Asociación de Hebeicultores del caquetá ASOHECA	Cauchero	PNDA USAID - CORPOICA, SINCHI; Embajada del Japón	ASOHECA	PNDA USAID - CORPOICA, SINCHI; Embajada del Japón	Fomento y recuperación del cultivo de caucho en la zona de influencia de los ríos Caquetá, y Orteguzza. Departamento del Caquetá	Ejecutado	75 000
Asociación de Acuicultores del Caquetá ACUICA	Acuicola	PRONATTA	ACUICA	PRONATTA	Capacitación Tecnológica en el manejo del cultivo de peces dirigido a pequeños piscicultores vinculados a ACUICA	Ejecutado	30 000
Fundación Canaguaro	Agropecuario	PRONATTA	CANAGUARO	PRONATTA	Capacitación tecnológica en la producción de frutales promisorios de la amazonía, bajo el enfoque de sistemas agroforestales y en la transformación y comercialización de las frutas, dirigida a campesinos del municipio de Puerto Asis de partamento del Putumayo	ejecutado	32 000

