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POSTCONFLICT IN COLOMBIA

Sandra Perdomo
National Planning
Department

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June, 2017



AGENDA

1. Peace as an opportunity: Economic and social achievements
2. Conflict Geography
3. Institutional preparation
4. Accord implementation
5. Transparency mechanisms.



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Economic and Social Achievements

Colombia's economy obtained great achievements during the first term of the decade.

VARIABLE	2002	2010	2015	2016	Variation (2002-2016)
<u>Intentional homicides rate (per 100.000 population)</u>	67,3(1)	34,0	28,0	24,4	-63,7%
Investment rate (% GDP)	16,6	24,5	28,8	27,3*	64,5%
Foreign Direct Investment (USD millions)	2.134	6.430	12.313	12.000(p)	462,3%
Economic Growth (%)	2,5	4,0	3,1	2,0	-20,0%
GDP per capita (USD)	2.368	6.300	6.048	7.792	229,1%
Unemployment (%)	15,6	11,8	8,9	8,7	-44,2%
Tax Collection (\$COP Billions)	27,1	66,7	116,3	117,3	332,8%
Poverty rate (%)	49,7	39,0	27,8	N.D	-44,1%**
Extreme Poverty (%)	17,7	12,3	7,9	N.D	-55,4%**



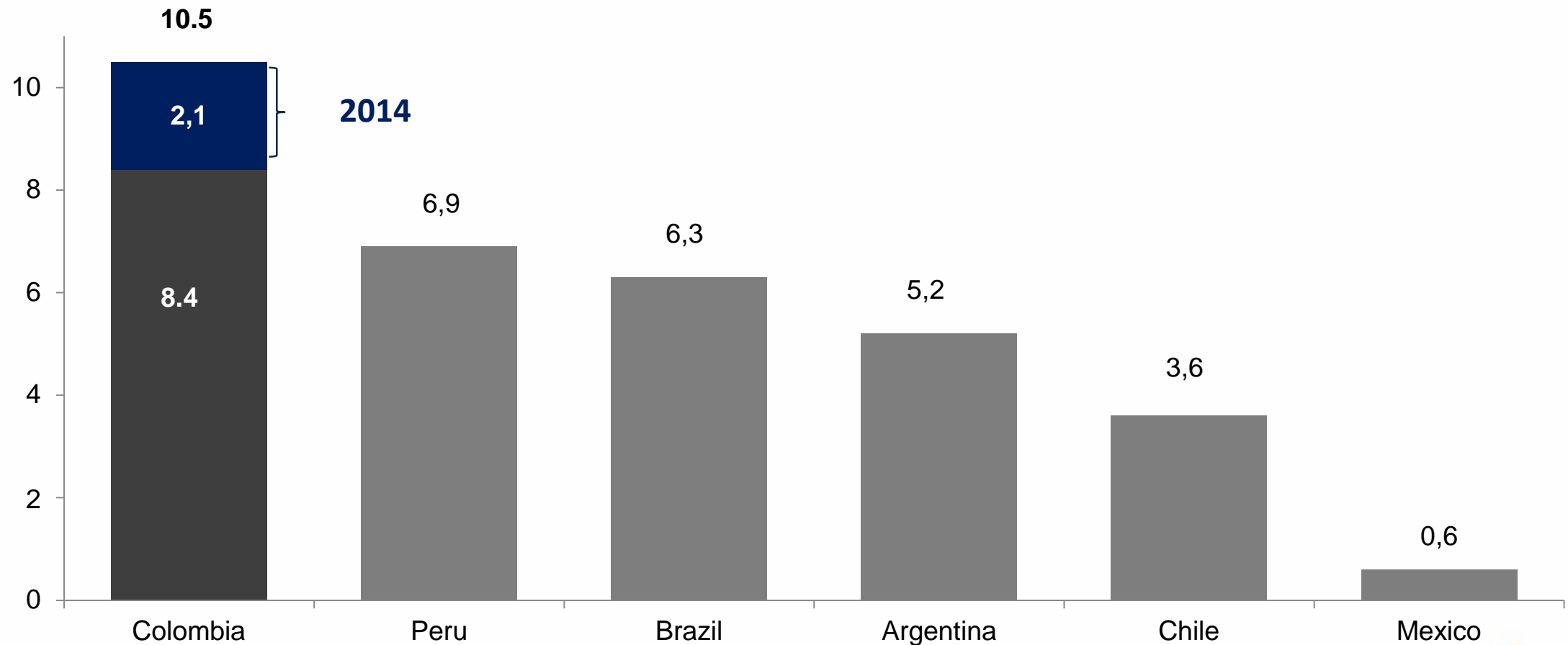
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Poverty Reduction

Colombia made the highest progress in decreasing poverty in the region.

LAC 6: Poverty Reduction between 2010 and 2013 (percentage points)



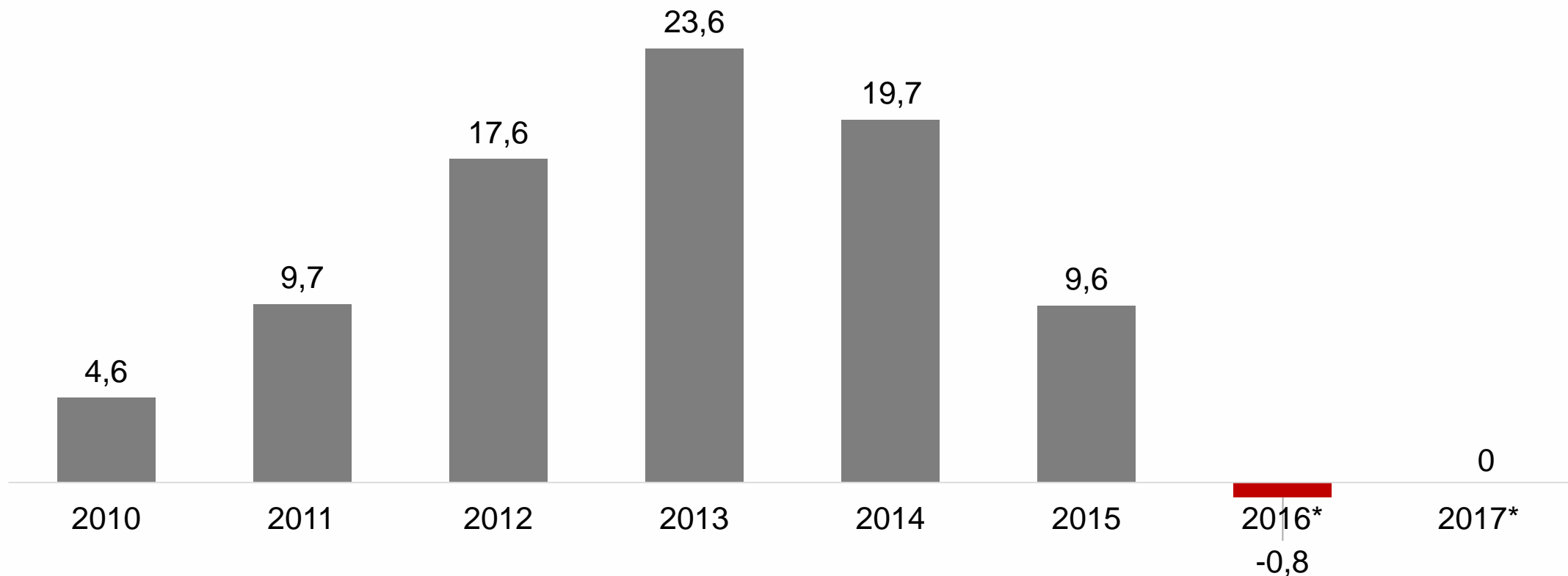
Source: IDB. *June 2010 – December 2014. Latest, Colombia (2014), Peru, Brazil, Argentina and Chile (2013), Mexico (2012). DNP Estimates.

Oil Prices Fall Impact

Oil revenue significantly impact Central Government's available funds.

National Government oil revenue (Billions of Colombian pesos)

2017 income will reach \$23,6 billions less than 2013

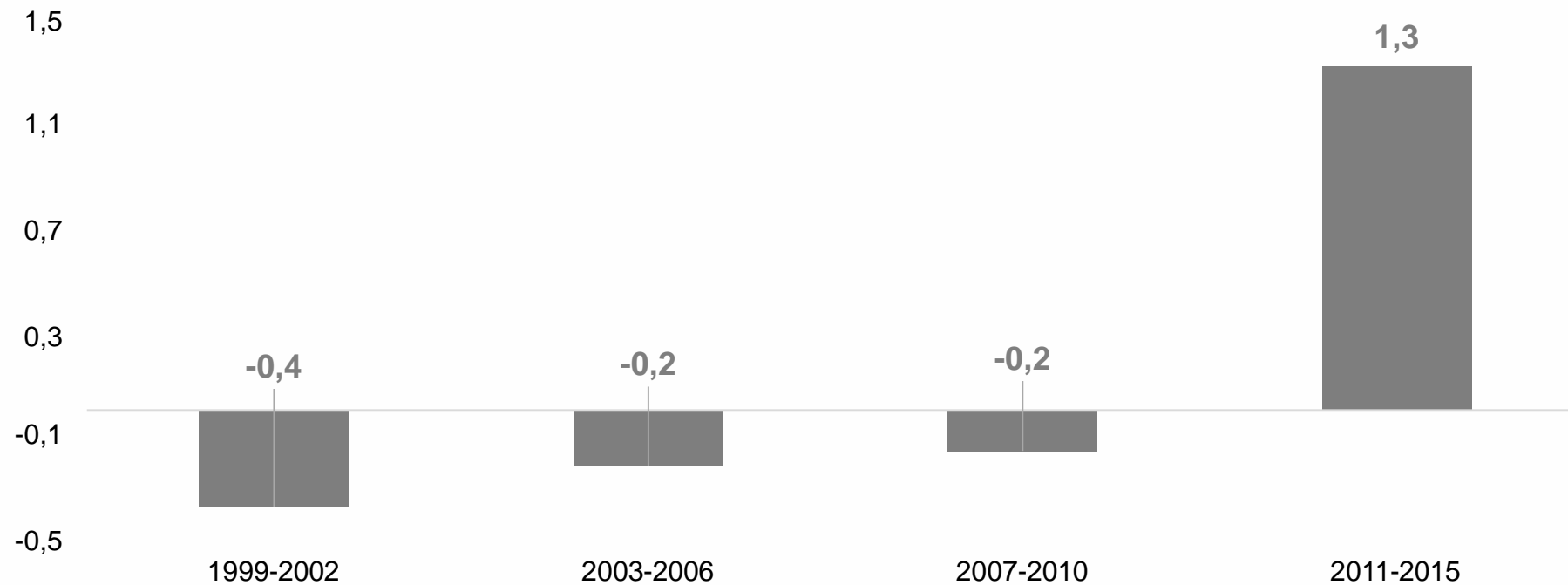


Source: Ministry of Finance and DNP. *Projected figures.

Economy Resilience

Colombia Leads Latin American countries for Economic Growth

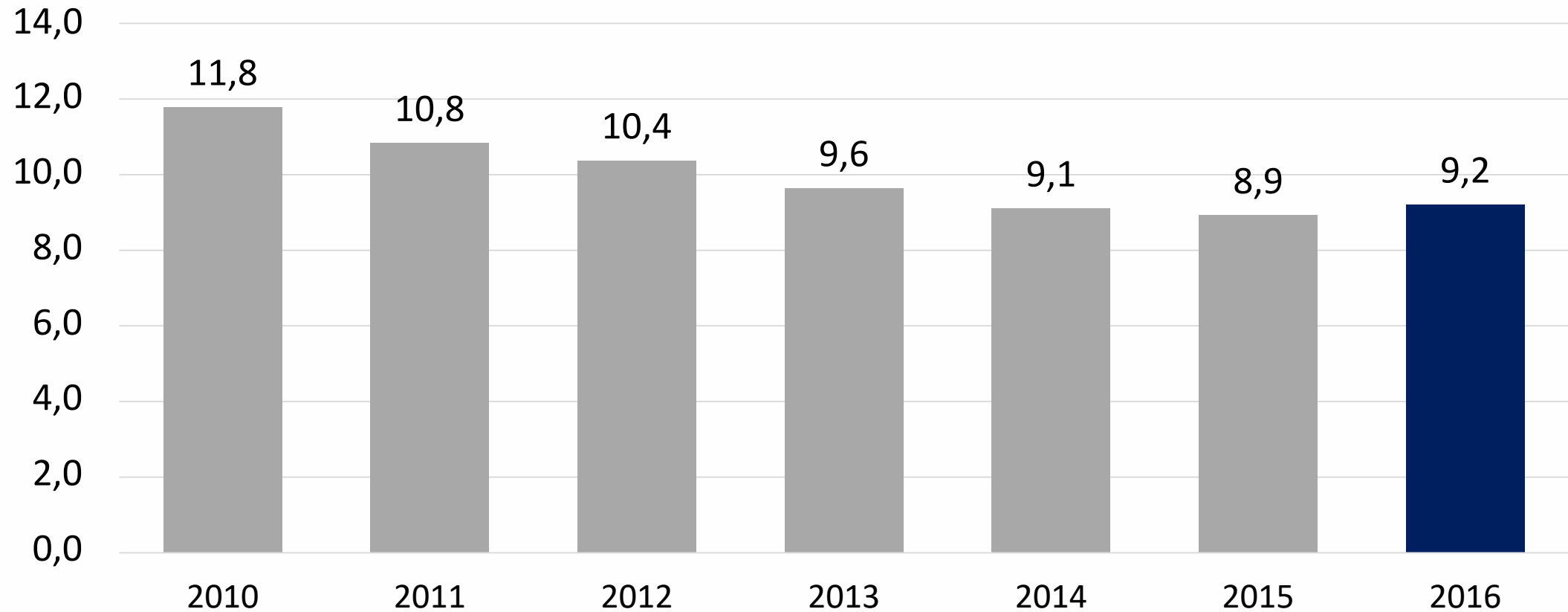
Difference between Colombia's economic growth and similar economies in the region *
(p.p.)



Economy Resilience

Despite revenue reduction, the Colombian economy keeps flowing. Unemployment has remained in one digit.

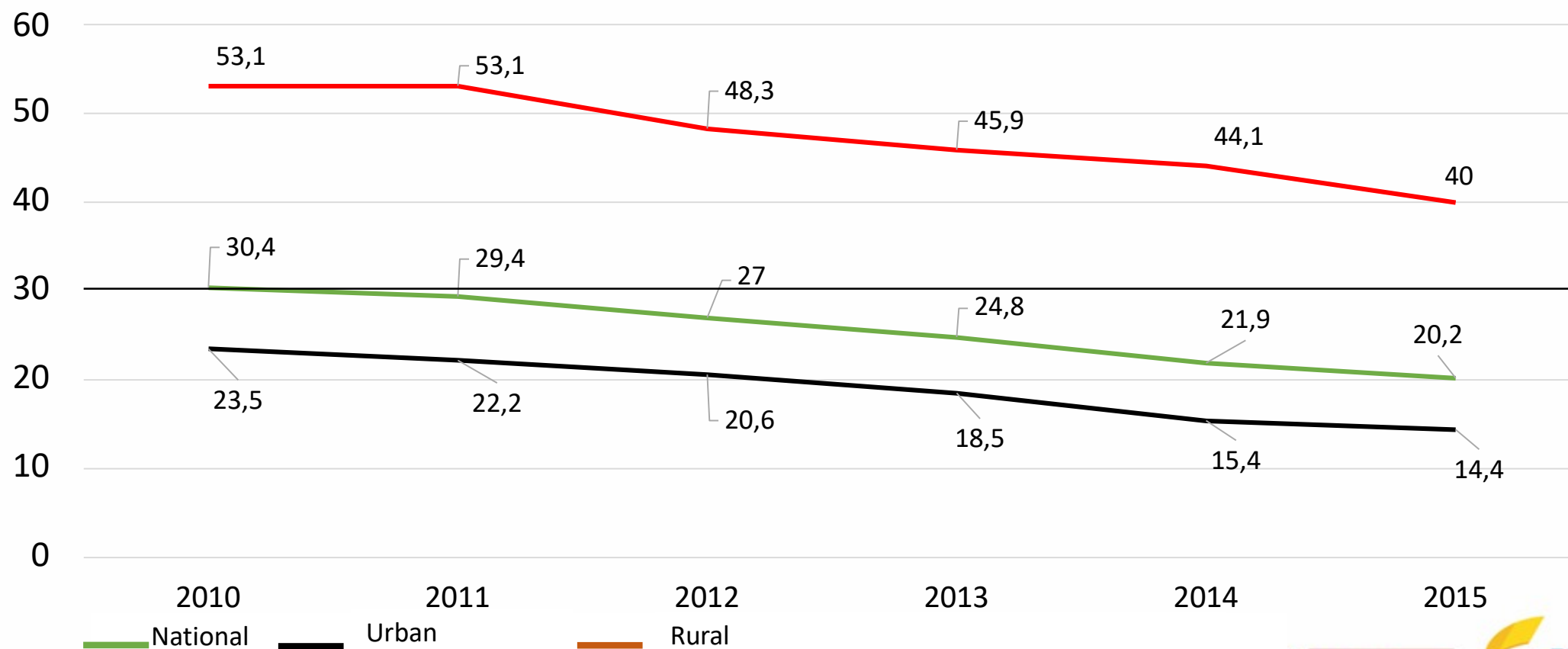
Average annual unemployment rate



Economy Resilience

Despite revenue reduction, the Colombian economy keeps flowing. Between 2014 and 2015, **700,000 people left poverty behind**.

Multidimensional Poverty Index (MPI) Poverty Incidence according to prevalence between 2010 and 2015



But, Participation is a big challenge

- 11 drafts of Project to regulate political opositon since 1993.
- Political Culture Survey shows **68,4%** population does not know any participatory mechanism. Only **39,1%** consider participation as an effective method for solving problems.
- There are **111** existing Participation Instances created by Law.
- **56%** of Colombians do not trust in political parties and social movements.
- **The Peace Agreement creates 126 new participatory processes. 22 involve the creation of new instances and at least half of them can be filled with existing instances.**



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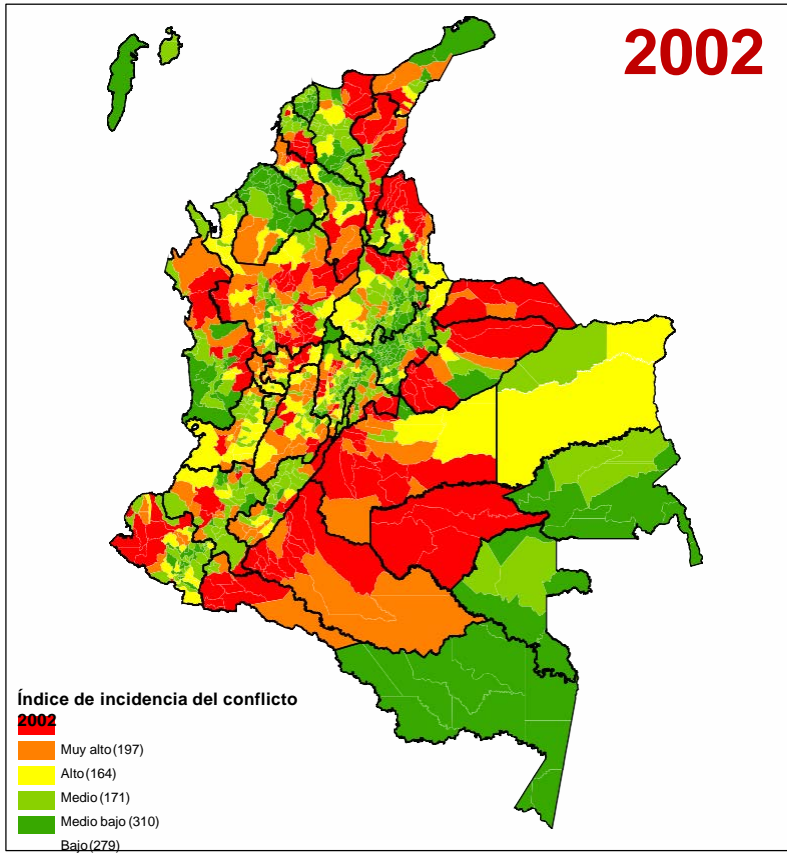
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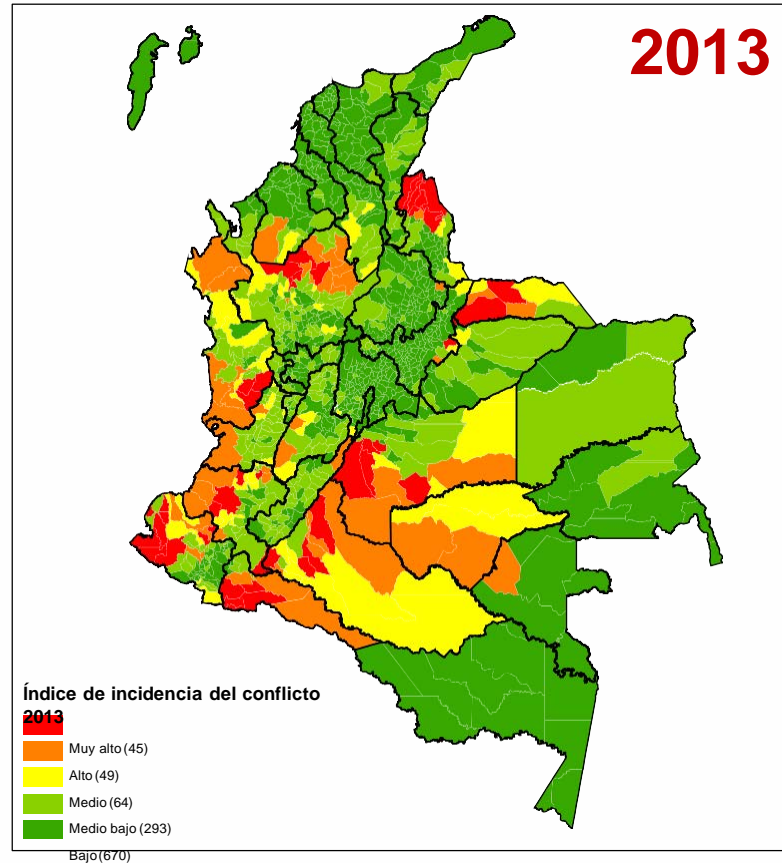
General Conflict Diagnostic

Economic results are partly explained by security improvements.

73% decrease in the number of municipalities affected by the armed conflict (2002 – 2013)



Source: GPE-DNP, 2015



Source: GPE-DNP, 2015

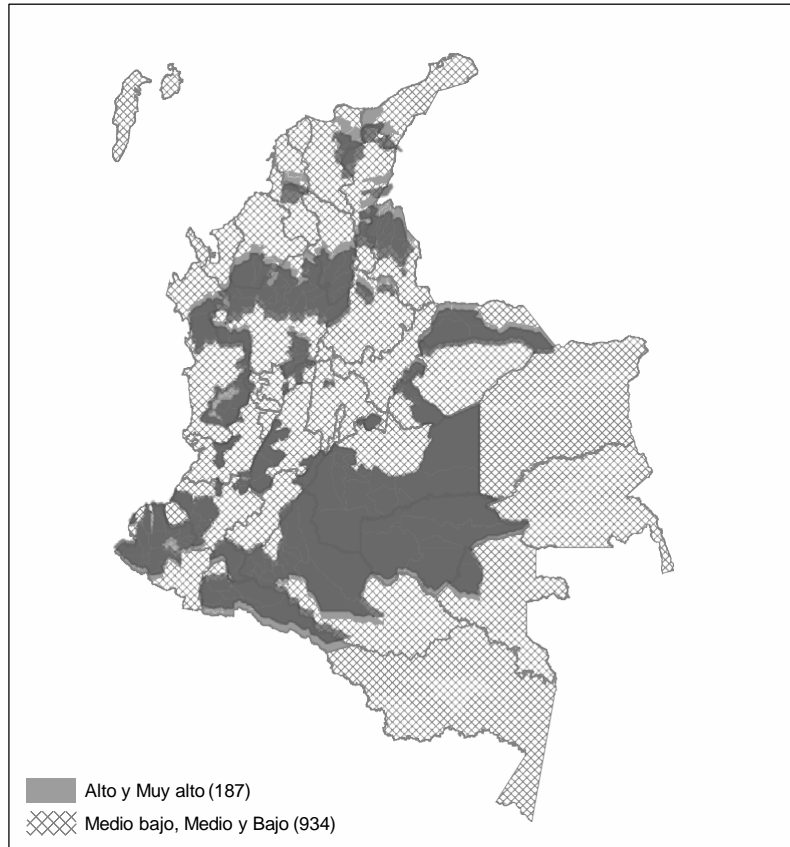
Municipalities that have been highly and very highly impacted by the armed conflict saw an incidence **decrease from 361 in 2002 to 94 in 2013.**

IICA is measured based on: (i) victims of forced displacement; (ii) armed actions; (iii) homicides; (iv) kidnappings; (v) victims of anti-personnel mines.

Conflict Geography

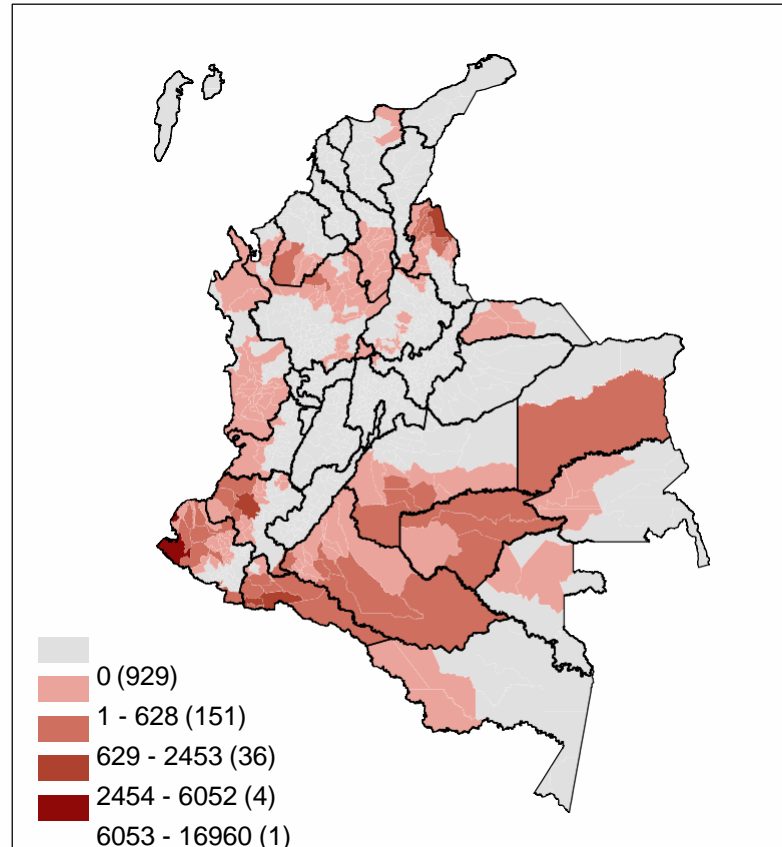
Despite security improvements, the conflict continues affecting certain zones in the country.

Armed conflict incidence index 2002-2013



Source: GPE-DNP 2015.

Hectares of coca cultivation 2015



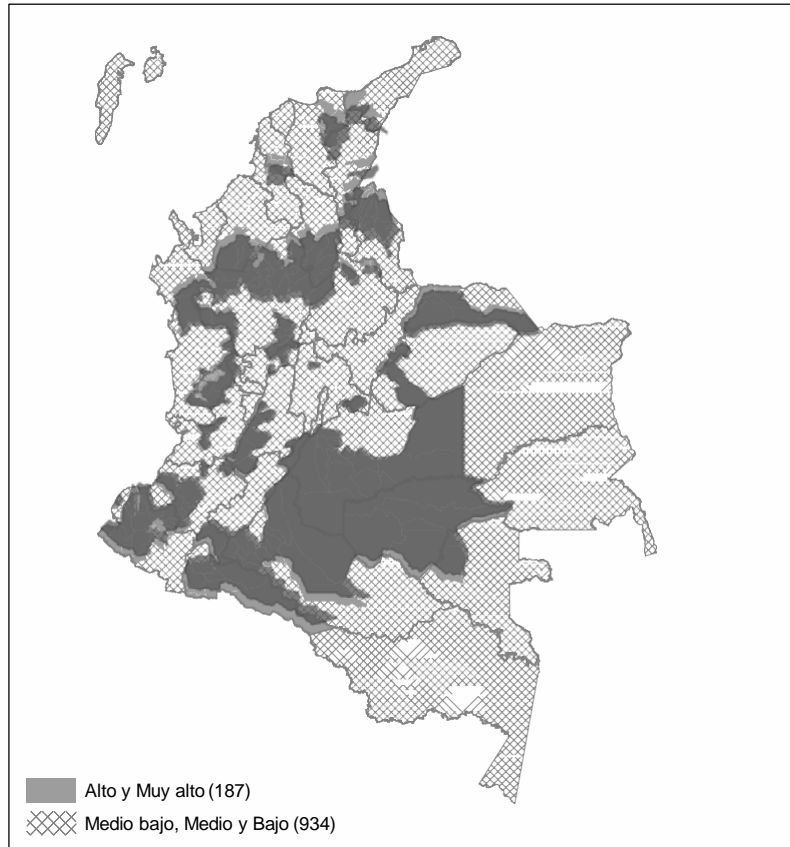
Source: SIMCI 2016.

92% of coca cultivation were found in municipalities that were **highly impacted** by the armed conflict in 2015.

Conflict Geography

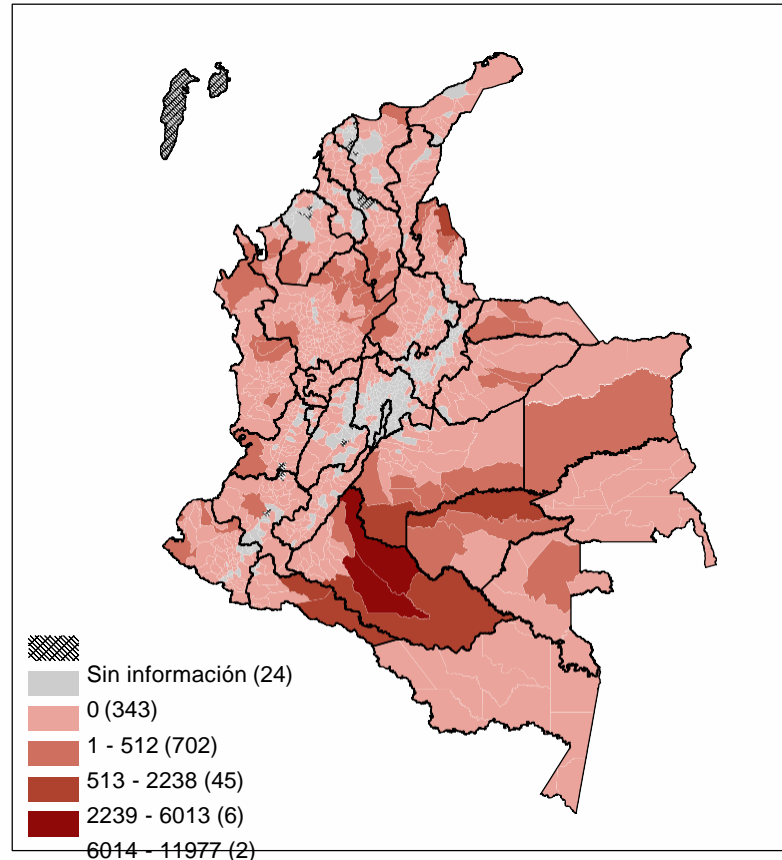
Zones affected by the armed conflict face environmental issues.

Armed conflict incidence index 2002-2013



Source: GPE-DNP 2015, SDAS-DNP.

Deforested hectares 2014



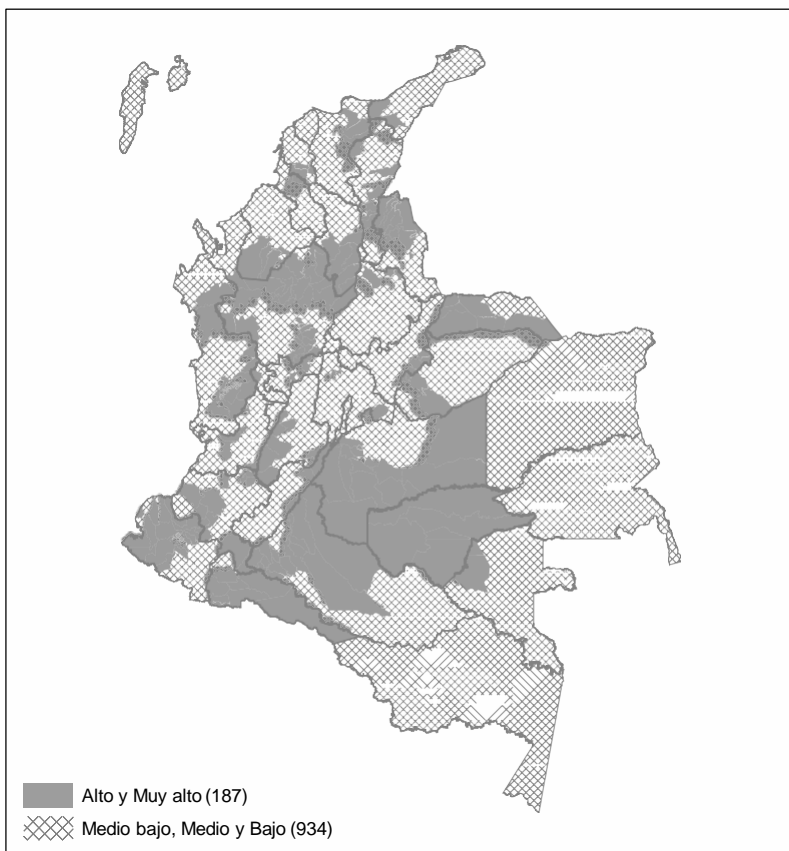
Source: SDAS-DNP.

70% of deforested hectares in 2014 were located in municipalities that are highly impacted by the armed conflict.

Conflict Geography

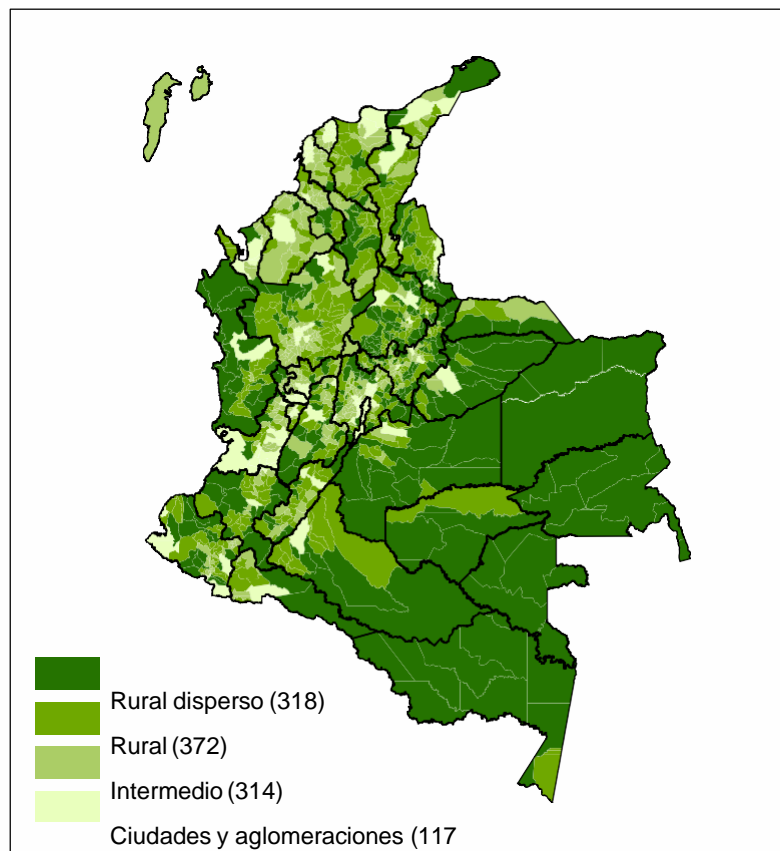
Zones affected by the armed conflict are the most rural areas in the country.

Armed conflict incidence index 2002-2013



Source: GPE-DNP 2015.

Rurality categories 2015



Source: DDR-DNP 2015, GPE-DNP.

88% of municipalities that are **highly impacted** by the armed conflict show **high level of rurality**.

Only 2 Municipalities that are highly impacted by the armed conflict are part of the **City System: Tumaco and Florida**

Rurality categories are built based on: (i) main population; (ii) percentage of remaining population; (iii) density per km²; (iv) inclusion in the City System



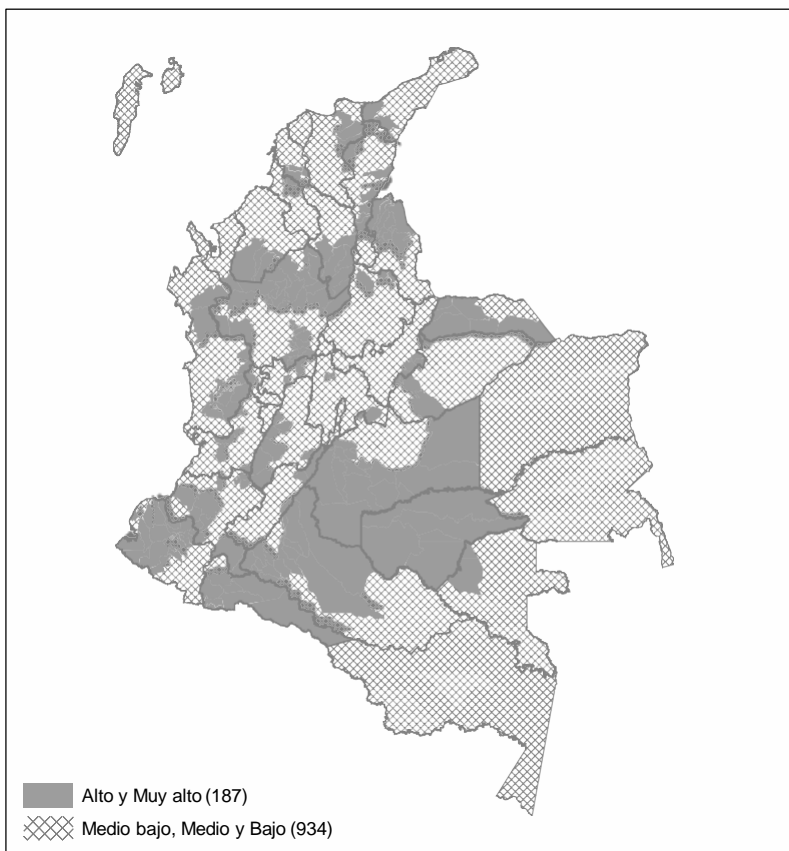
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Conflict Geography

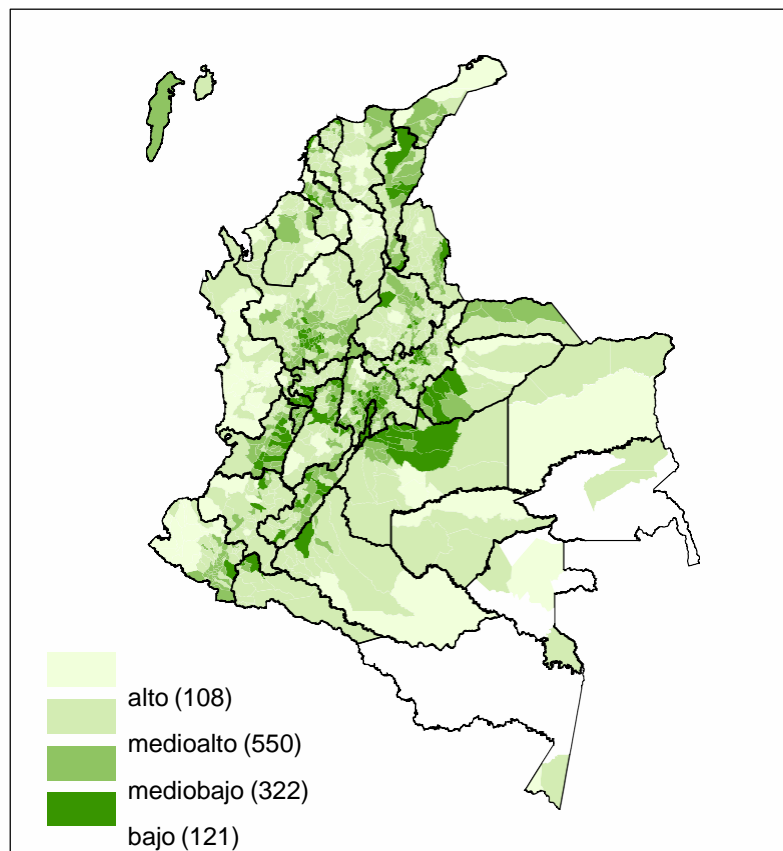
Zones affected by the armed conflict show significant socioeconomic gaps.

Armed conflict incidence index 2002-2013



Source: GPE-DNP 2015.

Comprehensive effort to close socioeconomic gaps



Source: DDTS-DNP, 2014, GPE-DNP.

150 (80%)

municipalities that are **highly impacted by the armed conflict** must make **high and medium-high** efforts to closed **socioeconomic gaps**.

The Comprehensive Effort is built based on:
(i) coverage of net intermediate education; (ii) level 11 mathematics tests; (iii) illiteracy rate for population aged 15 years and older; (iv) child mortality rate; (v) DPT vaccines – third dose; (vi) aqueduct coverage rate; (vii) qualitative housing deficit; (viii) quantitative housing deficit; (x) tax income received by the municipality as a proportion of total income; (x) municipal income per capita.



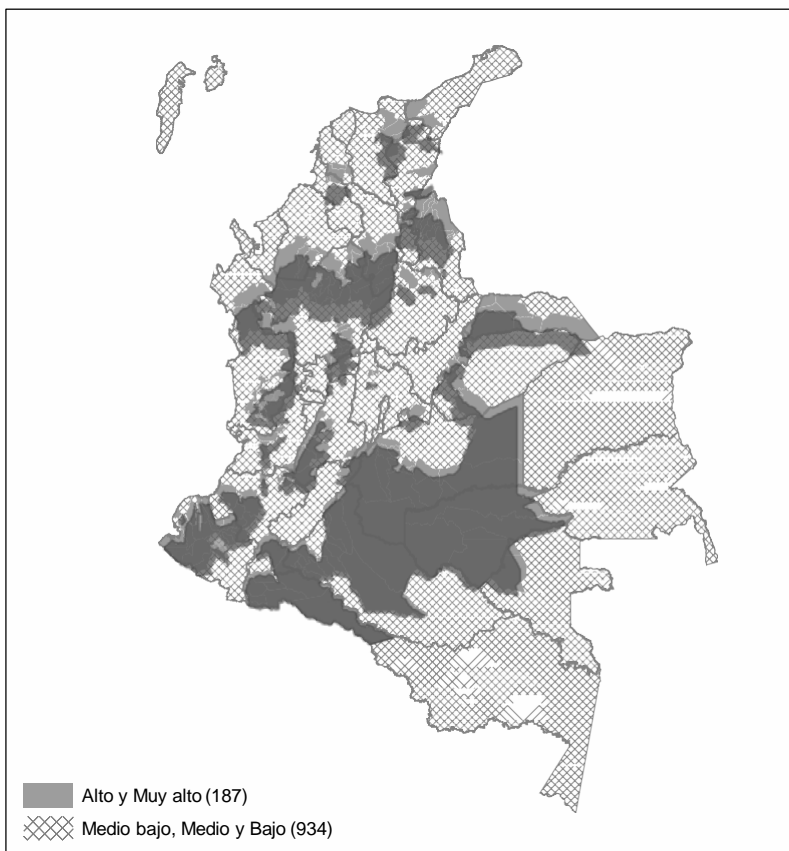
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Conflict Geography

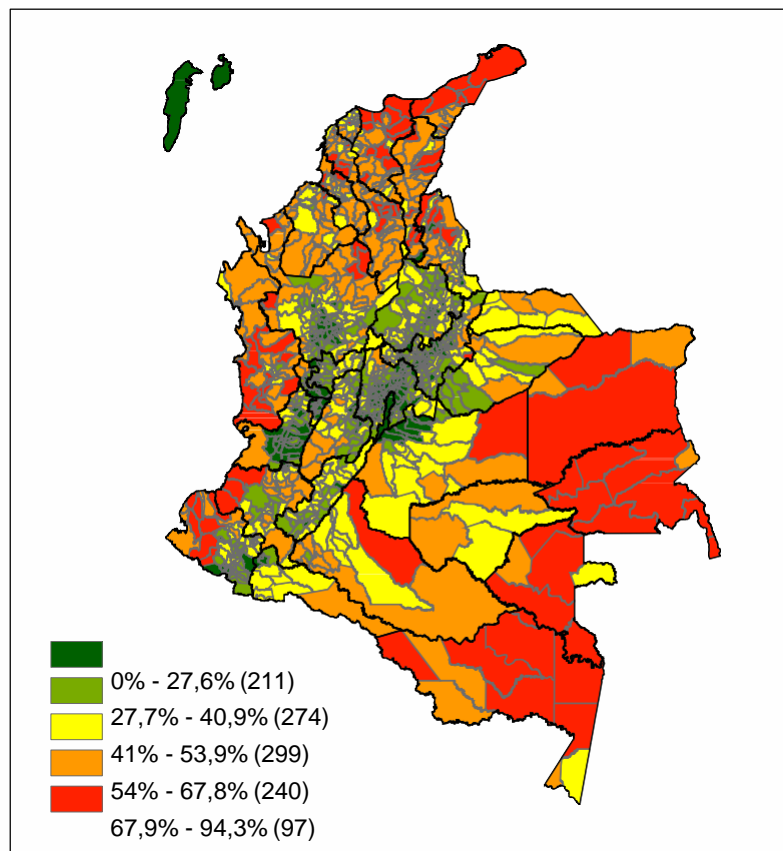
Zones affected by the armed conflict show a lower quality of life index.

Armed conflict incidence index 2002-2013



Source: GPE-DNP 2015

Quality of life index for dispersed rural population– CNA 2014



Source: DANE, National Agricultural and Livestock Census, 2014

56,8% QLI for dispersed rural population in municipalities highly and very highly impacted by the armed conflict.

11pp over the national QLI average of dispersed rural population.

The higher the value, the higher the proportion of households by deprivation dimensions: (i) household education conditions; (ii) child and youth conditions; (iii) health; (iv) access to residential utilities and housing conditions.



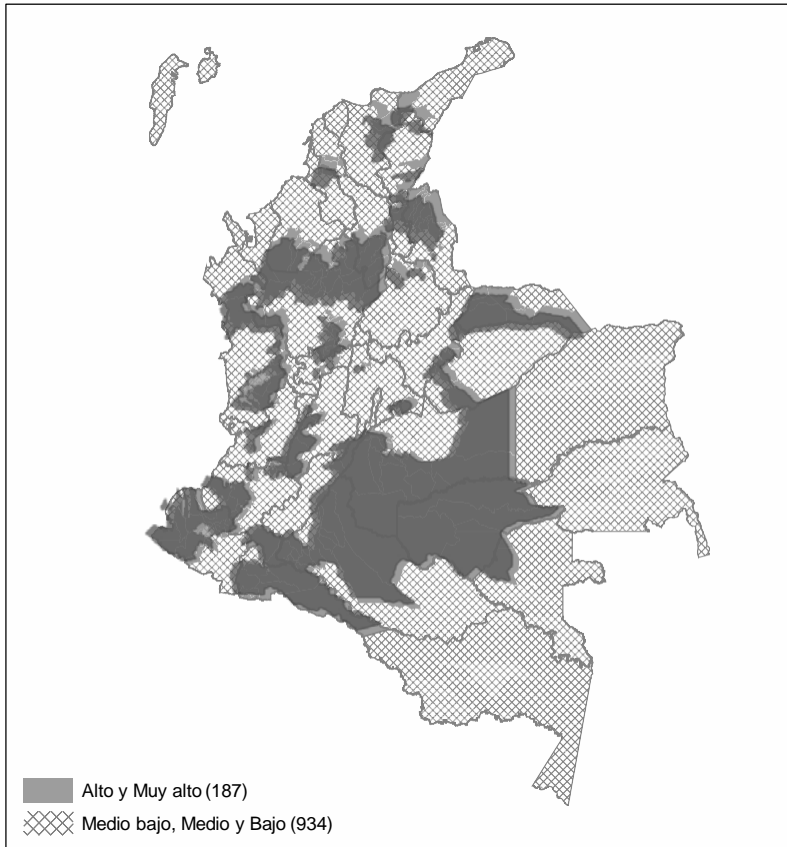
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Conflict Geography

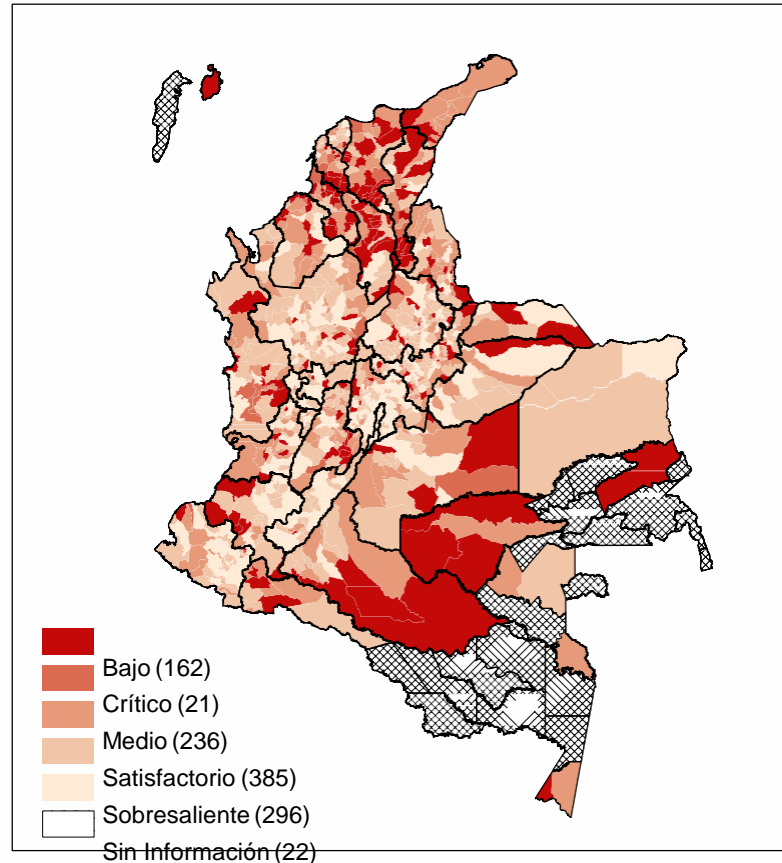
Zones affected by the armed conflict have weak institutional capacities.

Armed conflict incidence index 2002-2013



Source: GPE-DNP 2015.

Territorial performance index 2015



Source: DDT-DNP, GPE- DNP.

52% of municipalities that are **highly and very highly affected by the armed conflict** correspond to **lower territorial performance index**.

The territorial performance index is measured based on the following components: (i) public management; (ii) legal requirements; (iii) efficiency; and (iv) efficacy.

Government-FARC Peace Agreement

On November 24th, 2016 Colombia signed a peace agreement with the FARC guerrilla.

Characteristics

The process began on October 18th, 2012, in Oslo (Norway).

Peace talks took place in Havana, Cuba.

International accompaniment

- Guarantor countries: Cuba and Norway;
- Accompanying countries: Venezuela and Chile.

The Peace agreement was signed on November 24th, 2016

The Congress approves the Peace Accord on December 1st, 2016.

6 points agreed:

1. Comprehensive Rural reform

2. Political participation

3. End of armed conflict

4. Solution to illicit drugs problems

5. Victims of the armed conflict

6. Implementation and verification

Building a stable and lasting peace



AGENDA

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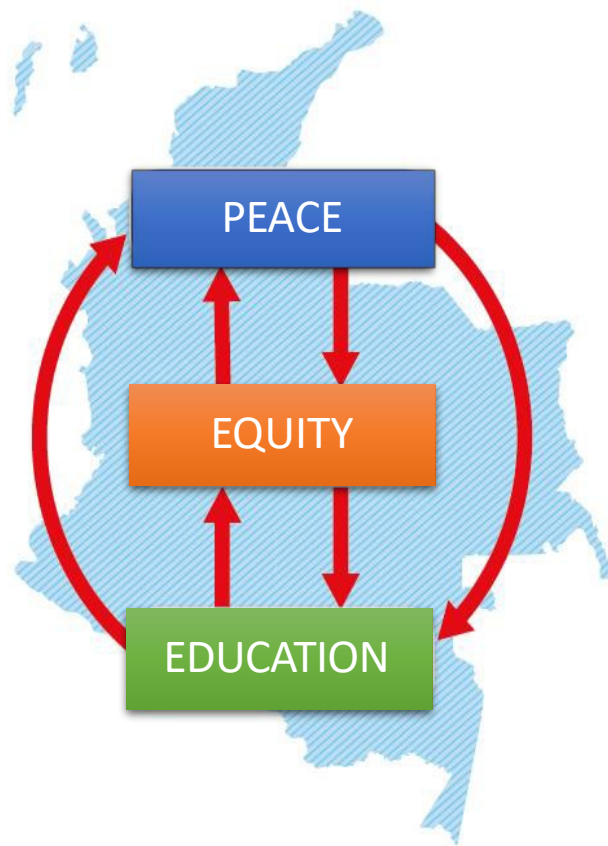
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Peace building in Colombia

Peace building planning began with the National Development Plan (NDP) 2014 - 2018

Based on 3 Pillars



Objectives of the NDP are in line with the peace agreement

Objective 1 Peace building process	Intentional homicides rate (per 100.000 population)	27,8 (hpch)	23,0 (hpch)
	Individual and Collective Reparation	395.902	920.210
Objective 2 Reduction of socioeconomic gaps and community integration	Socioeconomic gaps in the most affected municipalities by the armed conflict	36,6%	28,8%
	Investment rate (% GDP)	28,8%	29,5%
Objective 3 Comprehensive Rural Reform	Rural monetary poverty (%)	42,8%	36,0%

Peace building preparation is in line with the SDG and Green Growth agendas

The SDG are in the core of the peace-building process

Peace Agreement	SDG	# Links
 Comprehensive Rural Reform	<div><div>1 FIN DE LA POBREZA</div><div>2 HAMBRE CERO</div><div>3 SALUD Y BIENESTAR</div><div>4 EDUCACIÓN DE CALIDAD</div><div>6 AGUA LIMPIA Y SANEAMIENTO</div><div>7 ENERGÍA ASEQUIBLE Y NO CONTAMINANTE</div><div>9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA</div><div>10 REDUCCIÓN DE LAS DESIGUALDADES</div><div>11 CIUDADES Y COMUNIDADES SOSTENIBLES</div><div>12 PRODUCCIÓN Y CONSUMO RESPONSABLES</div><div>15 VIDA DE ECOSISTEMAS TERRESTRES</div><div>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</div></div>	12
 Political participation	<div><div>4 EDUCACIÓN DE CALIDAD</div><div>5 IGUALDAD DE GÉNERO</div><div>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</div></div>	3
 End of conflict	<div><div>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</div></div>	1
 Illicit drugs	<div><div>3 SALUD Y BIENESTAR</div><div>15 VIDA DE ECOSISTEMAS TERRESTRES</div><div>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</div></div>	3
 Victims of the Conflict	<div><div>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</div></div>	1

Implementation Plan

A Plan is being formulated, which includes the objectives, purposes, indicators, goals and a budget framework of the agreement.

“The Government must prepare the Plan draft and submit it to the Follow-Up Commission- *Comisión de Seguimiento, Impulso y Verificación a la Implementación del Acuerdo Final* (CSIVI), which will have 4 months for discussion and approval of such Plan”.



CONTENT

- Purposes and objectives
- Priorities, indicators and goals
- Policy recommendations
- Measures
- Sequence and schedule
- Responsible institutions (national and territorial)
- Funding sources

- 1 | Implementation Plan will include a plurianual investment plan for 15 years
- 2 | Will be part of the next three government's development plans
- 3 | Will include national and territorial targeted programs



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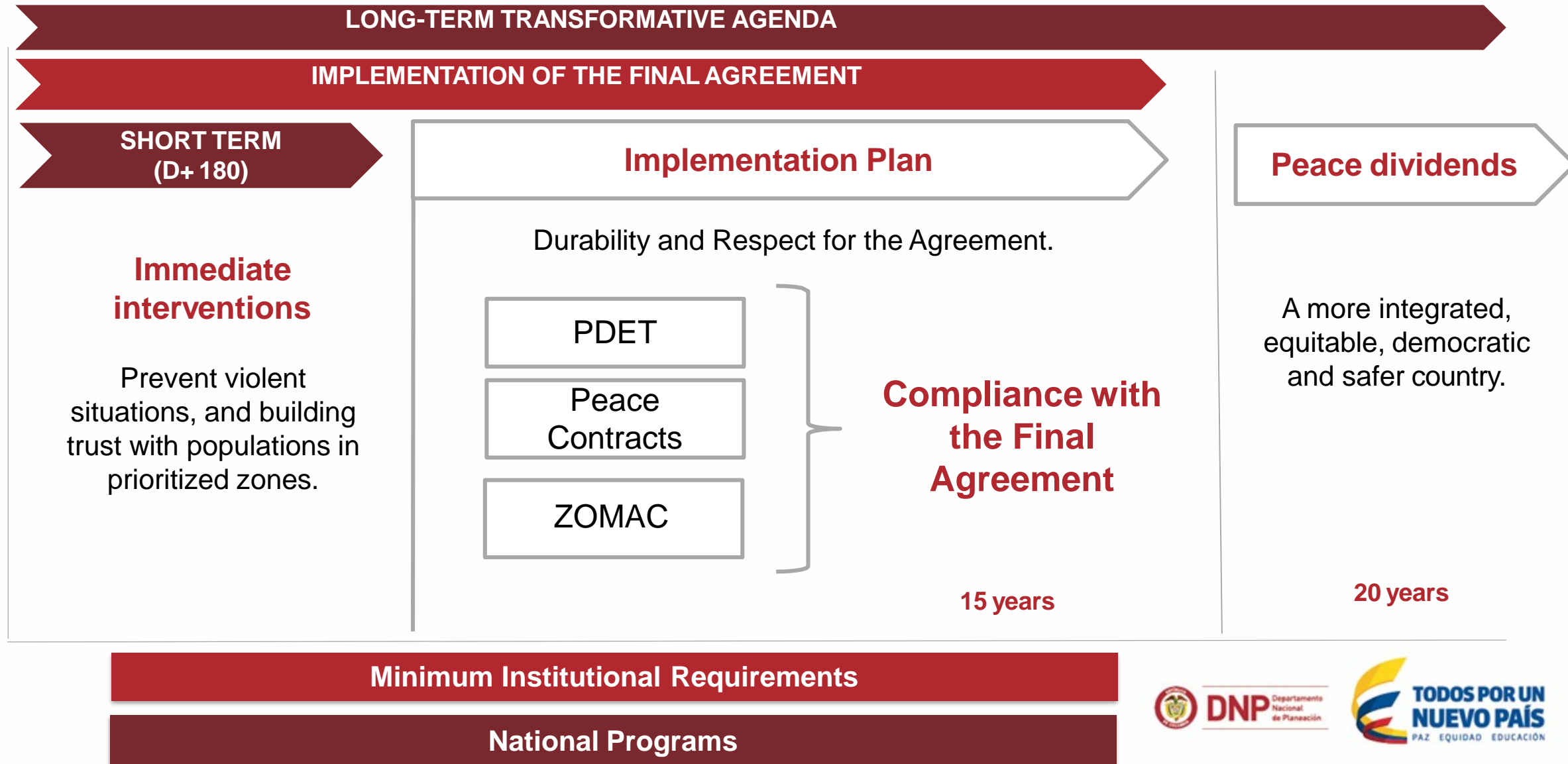
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Agreement Implementation Strategy

The Government has defined an implementation strategy for the next 20 years.



3 Main Intervention Areas in Post-Conflict



1 Legal reforms



2 Socioeconomic and territorial development:

- a. Implementation vehicles
- b. Targeting
- c. Development of the agreements



3 Reincorporation of combatants

LEGAL REFORMS

A Constitutional Reform allowed 2 ways to adjust the legal framework to implement the Peace Agreement

FAST TRACK

1. Proceeded By Congress
2. Shorter Terms
3. Less Number of Debates for Approval
4. All-or-nothing Choice
5. For Organic, Statutory Laws and Constitutional Reforms
6. Mechanism Available for 6 Months since the Peace Agreement Approval (Dec 1st and could Be Extended For a Further 6 Months)

DECREE - LAW

1. Signed by the President
2. For ordinary Laws
3. Mechanism Available Only for 6 Months since Peace Agreement Approval (Dec 1st)

Regulation Preparation

The creation of the entire regulatory framework has progressed.

Legislation by item...

Agreement Item	N.
1	35
2	11
3	28
4	6
5	8
6	9
Other	16
Total	113

Legislation by type of reforms*...

Type	N.
Constitutional reforms	6
Decree-Law	29
Ordinary Decree	24
Statutory Law	36
Ordinary Law	1
To Be Defined	14
Resolution	3
Total	113

In Congress...

- Transitory Article Into the Political Constitution
- Regulations for the political Opposition (Fast Track Law)
- Political Reincorporation (Legislative Act)
- Agricultural Technical Assistance

To be Submitted to Congress

- Land Adjustment's Law

*Data as of March 6th, de 2017

Intervention Cores in Post-Conflict



1 Legal reforms



2 Socioeconomic and territorial implementation:

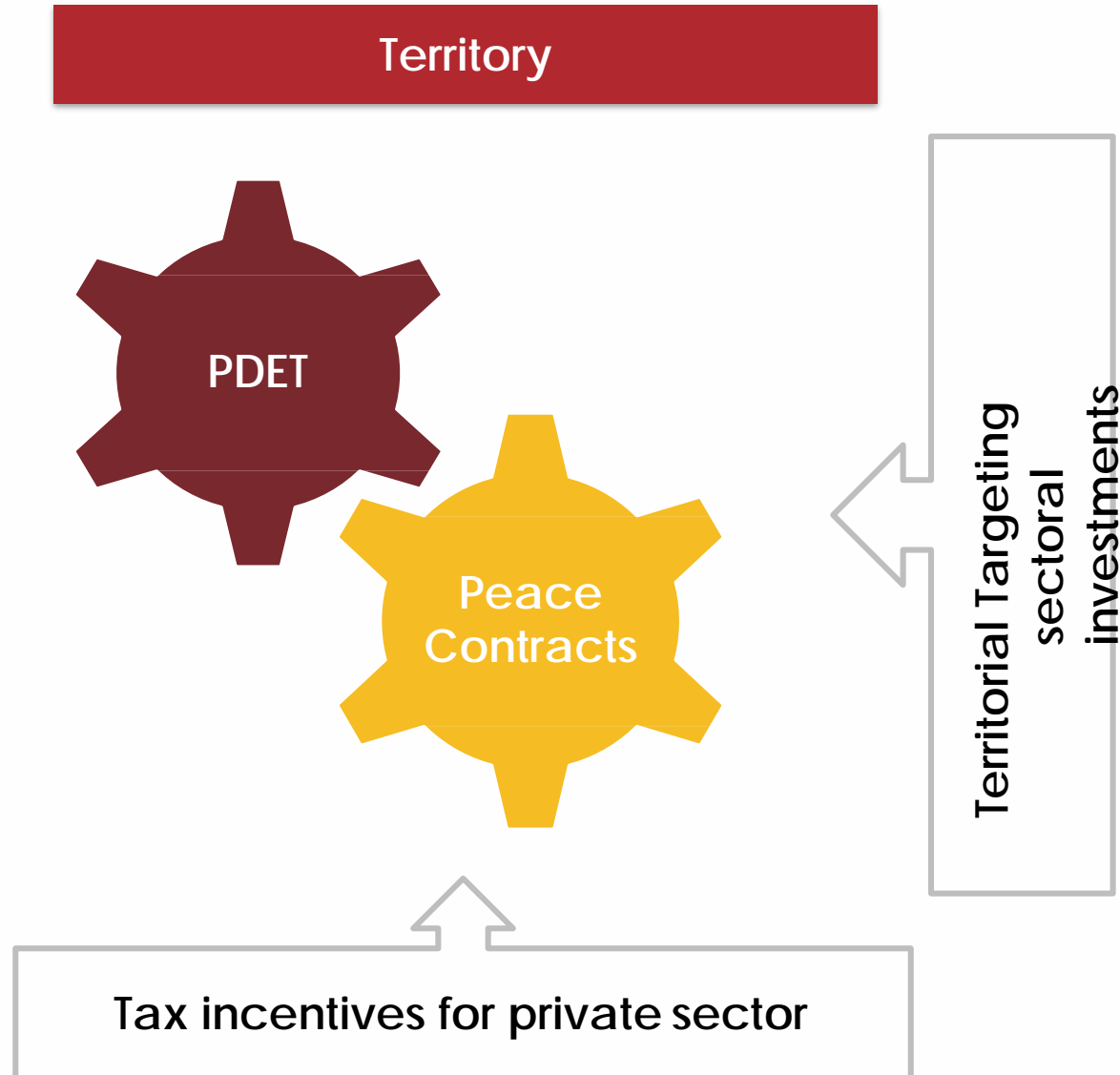
- a. Implementation vehicles
- b. Targeting
- c. Development of the agreements



3 Reincorporation of combatants

Implementation Vehicles for Post-Conflict in the Territory. Peace Contracts and PDET

CONPES 3867 has defined two vehicles for the implementation of the peace agreement.

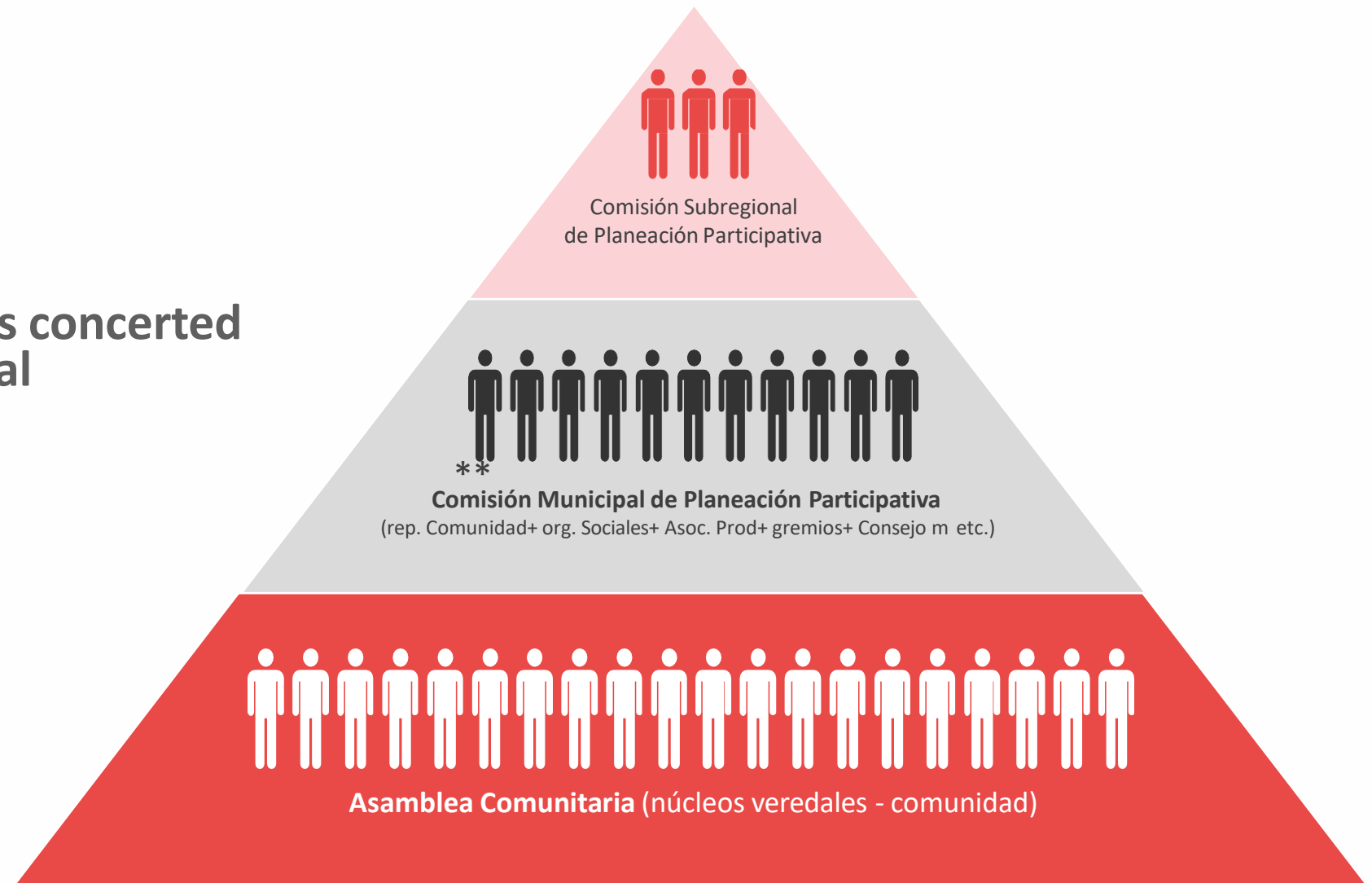


Territorial Programs (PDET): focuses on 167 municipalities affected by illicit crops, institutional weakness, poverty and armed conflict.

Peace Contracts: a vehicle for institutional multilevel coordination, focus on 465 additional municipalities with institutional weakness and poverty.

Territorial Participatory Development Programs (PDET):

 **16 Plans created**
 **167 Municipal plans concerted**
 **1400 process of local**

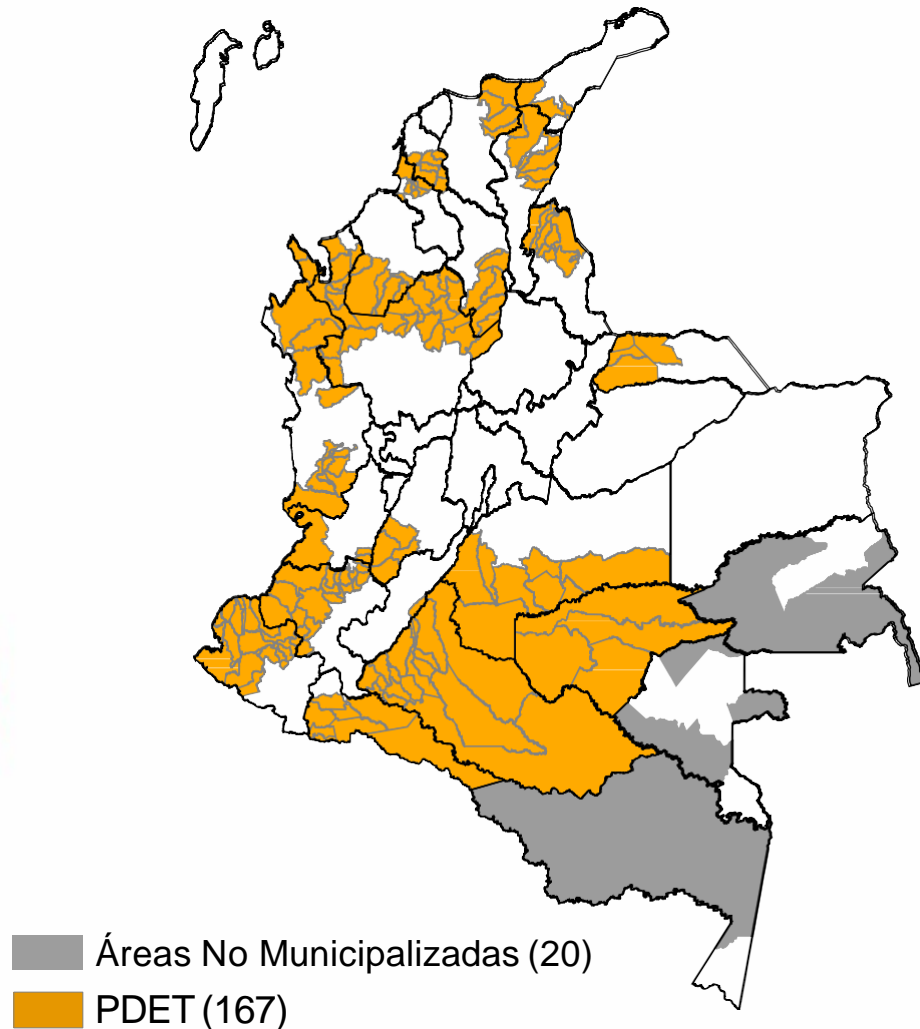


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Geographic Target

Implementation will focus on zones that meet these requirements.



1 PDET target criteria:

1. Poverty
2. Armed Conflict
3. Institutional Weakness
4. Presence of illicit crops and other illegal economic activities

PDET Target

167 municipalities
19 departments
16 sub-regions

Geographic Target

Special relevance will be given to zones that meet the following conditions



2

Targeting Criteria for Other priority zones and Peace Contracts

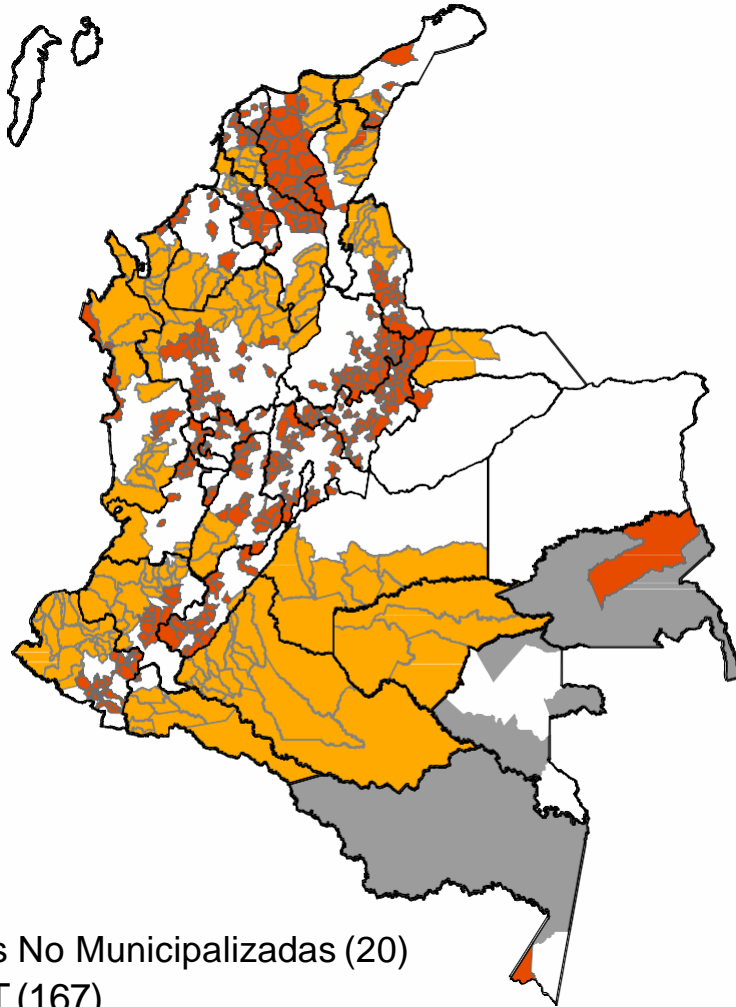
1. Poverty
2. Institutional Weakness
3. No presence of illicit crops, and medium and low impact of armed conflict

Other priority zones – Peace Contracts

445 municipalities
26 departments

Geographic Target

This defines the priority intervention universe and refocalization of resources.

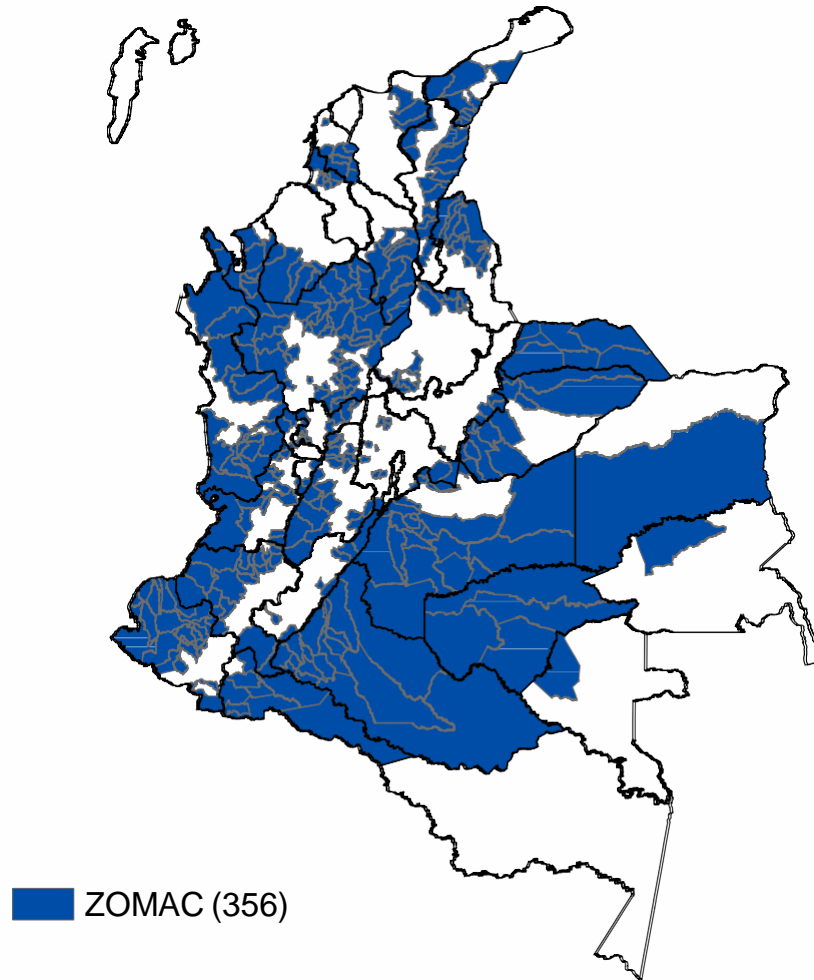


- Áreas No Municipalizadas (20)
- PDET (167)
- Otros - Contratos Paz (445)

PDET	167
+	+
Other priority zones – Peace Contracts	445
<hr/>	
Total Municipalities	612

Geographic Target

Tax Incentives mechanism defined for other zones affected by the armed conflict.



3 ZOMAC

1. Special tax regimen for the private sector.
2. Promoting local Projects (*Obras por impuestos*)

Targeting Criteria for **ZOMAC**:

1. PDET
2. Medium, high and very high incidence of armed conflict

Targeting for **ZOMAC**

356 Municipalities

30 departments

Item 1. Comprehensive Rural Reform

Implementation of item 1 of the agreement includes 4 strategies.



Access to and use of land

- Rural land fund
- Legalizing property ownership rights
- Rural cadaster
- Sustainability and environmental protection



Territorial Participatory Development Programs (PDET)

- Participatory action plans for regional transformation in prioritized zones



National Sectoral Plans

- Infrastructure: Roads, Irrigation, Electricity and Connectivity.
- Social development: Health, Education, Housing and drinking water, Poverty eradication.
- Stimuli for agricultural production and the solidarity and cooperative economy: Technical Assistance, Subsidies, Credit, Income generation, Marketing,
- Formalization of the labor market
- Right to healthy, nutritional and culturally appropriate food

Item 2. Political Participation

It includes three pillars to strengthen a democratic opportunity to build peace.

Democratic Mechanism for Citizen Participation

Guarantees for social organization and movements, mobilization and protest

Citizen participation through community, Institutional and Regional Media

Reconciliation, Tolerance, Non-stigmatization

Citizen control in public administration

Participatory Planning

A Democratic Opportunity

Promotion of political pluralism, electoral participation and Transparency

Reform of the Electoral Regime and Organization

Promotion of a Democratic and participatory political Culture

Representation of population and zones affected particularly by the conflict

Women political participation

Political Opposition

Rights and guarantees for the exercise of political opposition

Prevention and Protection measures

Security guarantees for leaders of social movements

Regulation for the Opposition

Item 4. Solution to the illicit Drugs Problem – Voluntary substitution

The agreement implementation includes the substitution of illicit crops and alternative agrarian development jointly with the Comprehensive Rural Reform of Item 1



Target:

Substitution approx.

50,000

hectares of illicit crops

During the first year of
implementation in

40

municipalities

- Agreements with communities to refrain from replanting, the full commitment not to cultivate for illicit purpose.
- Participative construction and development of the comprehensive community-based and municipal plans for substitution and alternative agrarian development
- Immediate Attention Plan and Development of Rural Productive Projects
- Sustainability and Environmental recovery

Item 5. Victims of the Conflict: Comprehensive Reparation, Justice and Human Rights

It Includes a Comprehensive System for Truth, Justice, Reparation and Non-repetition based on three pillars:



A New Institutional Framework

- Special Jurisdiction for Peace
- The Special Unit for the Search for persons deemed as missing in the context of and due to the conflict
- The Truth, Coexistence and Non-Repetition Commission

Intervention Cores of Post-Conflict



1 Legal reforms



2 Socioeconomic and territorial implementation:

- a. Implementation vehicles
- b. Targeting
- c. Development of the agreements

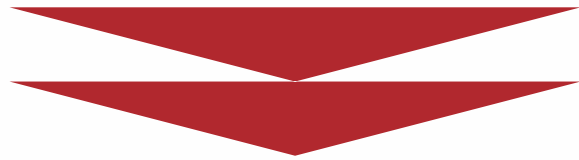


3 Reincorporation of combatants

Item 3. End of the Conflict

It seeks to reincorporate **7.000** combatants into civilian life

Coordination



National Reincorporation Council



2

Government
Members



2

FARC
Members

Main elements

- Bilateral Ceasefire
- Laying down of arms
- 20 Transitional Local Zones for Normalization (TLZNs).
- Economic, Political and Social Reincorporation Measures.
- Programs of training in productive tasks and with instruction to raise the basic primary, secondary or technical level of education (**census required**).
- Special Reincorporation Program for Children and Adolescents.
- Security guarantees.



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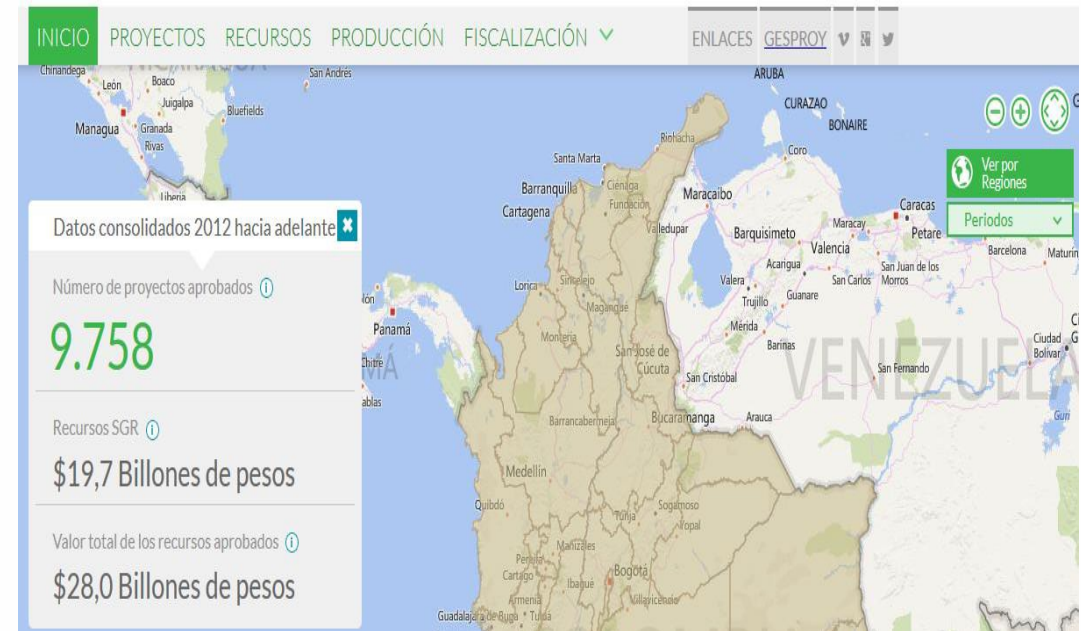
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Instruments for planning and investment improvement: Strengthening of investment transparency and control mechanisms

We have strengthened mechanisms for:

Monitoring and Control Systems

- Information System and Control Dashboard at the President's Office.
- Post-Conflict Investment Map.
- Focalization of offer (Sisben 4).
- Regular accountability reports: Government, Congress, Citizens.
- Special mechanism for citizen reports.
- Accompaniment for control entities for resource execution.
- Procurement specifications.





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