

COUNTRY STRATEGY AND
PROGRAMME EVALUATION

Republic of Colombia

Executive Summary



IOE



IFAD

Investing in rural people

Independent Office of Evaluation

Executive summary

A. Background

1. The Independent Office of Evaluation of IFAD (IOE) carried out a country strategy and programme evaluation in the Republic of Colombia in 2022, which covered the period 2008–2022. This is the first evaluation of this type to be carried out in the country. It took into account: (i) two country strategic opportunities programmes (COSOPs): the COSOP approved in 2003 and updated in 2008 and the COSOP for the period 2017–2022; (ii) two lending operations: the Rural Microenterprise Assets Programme: Capitalization, Technical Assistance and Investment Support (*Oportunidades Rurales*) and the Building Rural Entrepreneurial Capacities Project: Trust and Opportunity (formerly called TOP and then *Campo Emprende*); (iii) one operation that was not negotiated; and (iv) a selection of 14 grants. The findings and recommendations will guide the formulation of the new country strategic opportunities programme and the operation that is currently being designed.
2. Since 1981, when IFAD began operations in Colombia, four loans have been approved, of which three have been closed. The total portfolio cost was US\$186.8 million, with an IFAD financial contribution of US\$74.3 million. During the period covered by this evaluation, the total portfolio cost was US\$125.1 million, with total IFAD financing of US\$50.3 million, counterpart financing of US\$49 million (from Government and beneficiaries) and international cofinancing of US\$25.8 million. The total value of the 46 grants awarded between 2008 and 2022 was US\$52.1 million. However, most of that amount went to international and Latin American grants that included small amounts of funding for Colombia.

B. National context

3. Colombia is the fourth largest country in South America and has great natural diversity, including 91 ecosystems, as well as great cultural diversity. It ranks second in the world in terms of biodiversity, but at the same time it is ranked eighty-fourth out of 182 countries most vulnerable to climate change. The country routinely experiences droughts and floods.
4. Of the 50.9 million inhabitants, 4.4 per cent are Indigenous Peoples and 9.3 per cent are Black, Afro-Colombian, Raizal and Palenquera persons. The percentage of the Colombian population living in rural areas was 18 per cent in 2021, half of what it was 40 years ago. Colombia is an upper-middle-income country with a gross domestic product (GDP) of US\$5,312 in 2020. More remote rural areas have historically been associated with higher levels of poverty, particularly among Indigenous and Afrodescendent populations. By 2020, the percentage of people living in multidimensional poverty was 18.1 per cent overall and 37.1 per cent in rural communities and other rural areas, down from 56.6 per cent in 2008, but still evidencing significant differences between rural and urban areas. Colombia is also a country of great inequalities. The Gini coefficient in 2020 was 0.54, while the average for Latin America was 0.46. This situation is largely explained by factors related to land ownership.
5. The country's agricultural sector contributed 7.4 per cent of GDP in 2021. The figure has decreased by more than half compared with 1991, but it remains slightly above the Latin American average. There are two models in the sector: agricultural exports, which grew by 20.9 per cent in 2021, with the country being one of the world's five largest producers of coffee, avocados and palm nuts, and family farming, which supplies 70 per cent of the products that reach the tables of Colombians; 74 per cent of family farms have fewer than five hectares. Historically, the agricultural export sector has received the most attention from governments, while the state

institutional framework supporting the rural population engaged in multifunctional agrifood systems has shrunk.

6. A central challenge for Colombia lies in moving beyond the long-running armed conflict, which has caused enormous losses for the country and been especially damaging to rural populations. The problems of inequality and neglect of the agricultural sector led the Government of Colombia in 2016 to propose the new Comprehensive Rural Reform as part of the Peace Agreement signed with the Revolutionary Armed Forces of Colombia. This reform sought to lay the foundations for a structural transformation of rural areas, for which purpose four pillars were proposed: comprehensive access to land use; national sectoral plans; development programmes with a territorial approach; and a food security system. It also called for a thoroughgoing institutional reform, with the creation of three new implementing agencies linked to land, rural development and territorial renewal.

C. Main findings

7. **Relevance.** Considering the characteristics of the country context during the evaluation period, IFAD's country strategy and programme and its operations were not only aligned, but led to the introduction of innovative approaches and mechanisms in Colombia to boost rural development with a view to reducing poverty and inequalities in the agricultural sector, with appropriate targeting. This is very relevant in a country that was seeking to rebalance agricultural support models, with a greater focus on small-scale producers and entrepreneurs, Indigenous Peoples and Afrodescendent communities, young people and women. Relevance was increased when mechanisms were proposed to contribute to peacebuilding in territories affected by various types of insecurity and violence and, more recently, in so-called "post-conflict" territories.
8. Considering that this outcome was achieved with imperfect programme and portfolio designs and a very small investment (US\$74 million over 40 years), and under different governments, it is not surprising that no communication strategy has been developed to enhance the visibility and positioning of IFAD and its main partners and capitalize on what has been achieved. Hence, in strategic terms, relevance is *considered satisfactory*.
9. **Coherence.** Performance in relation to this criterion was *moderately satisfactory*, with varying strengths and weaknesses. During the evaluation, various public bodies and beneficiaries highlighted the comparative advantages of IFAD, which, even with fewer resources than other agencies, helped to energize the most disadvantaged sectors and territories of Colombian agriculture. The analysis of available information highlighted the thematic and methodological convergence and the cofinancing obtained from the Government, beneficiaries, a joint venture and two cooperation agencies. However, the evaluation identified weaknesses in coordination between lending and non-lending activities.
10. In terms of specific aspects of coherence, *public policy dialogue* was *moderately satisfactory* and showed good results, where lessons learned from territorial experiences and practices, supported by the two loans and a couple of grants, were put to use. In other words, an impact was built from the bottom up, especially in relation to rural finance, work with young people and recognition of the value of cultural assets and local knowledge. In contrast, grants based on studies or attempts at policy dialogue at the national level have had less impact.
11. *Knowledge management* was *moderately unsatisfactory*, as there was no innovative strategy to link the various inputs and transform knowledge products into synergistic vectors for advocacy and change. The result was scattered activities, some of a more academic nature and others linked to networks, with publications, guides, events and groups interacting without much connection.

12. *Partnership development was moderately unsatisfactory.* The IFAD strategy and programme have been most successful with central government bodies, especially the Ministry of Agriculture and Rural Development and the National Planning Department, and with public entities with local presence, such as the National Training Service. There was good coordination with the Spanish Agency for International Development Cooperation (AECID), which cofinanced the *Campo Emprende* project. No concrete progress was reported with other bilateral and multilateral cooperation entities, including United Nations agencies. Although local governments participated in local evaluation and resource allocation committees and contributed to business plans in some cases, the synergies created were insufficient, especially considering the emphasis placed under the Comprehensive Rural Reform on development programmes with a territorial approach.
13. **Efficiency.** Initial limitations in the start-up phase and the first years of project implementation were mainly due to: (i) the need to adjust the projects to the Colombian regulatory framework, especially with regard to the direct transfer of public resources to beneficiary organizations; (ii) limited attention from key authorities at the Ministry of Agriculture and Rural Development, which did not accord sufficient priority to IFAD projects or to counterpart funding from national public resources; and (iii) lack of precision with regard to leadership, roles and functions of the units and institutions involved in implementation.
14. The revitalization of operations was based on operational mechanisms adjusted to the Colombian reality and appropriated by the national authorities, coupled with the formation of qualified technical teams with experience and commitment to rural families and associations. Budget execution and leverage have thus become increasingly efficient, especially with contributions from small-scale rural producers and entrepreneurs and from the Government. Overall, efficiency was *moderately satisfactory*.
15. **Effectiveness.** Overall, effectiveness was *satisfactory*. The achievement of **broad national coverage and presence in post-conflict territories** with small-scale rural producers and entrepreneurs was noteworthy. Territorial and population coverage was progressively expanded. The *Oportunidades Rurales* programme reached 40 per cent of the country's municipalities, while the calls for proposals under the *Campo Emprende* project extended to all territories prioritized by the Government nationwide. The targeting analysis carried out during the evaluation showed the effectiveness of the strategy applied in conflict-affected municipalities and among the country's poor population, where the state presence and public policies were strengthened.
16. The programme also **helped to build local management capacities**, which was especially evident among associations of poor rural families and in the formalization of groups and businesses. Beyond the numbers (e.g. around 4,000 associations involved in *Campo Emprende* obtained legal status, registered with the Chamber of Commerce and opened bank accounts), the programme contributed to the re-establishment and/or strengthening of the social fabric and helped to energize local economies.
17. In terms of support to small businesses, there is still fragility with regard to business plans. It was found that the associations with a higher level of consolidation were those made up of extended family groups and those that had more continuous access to technical services. Access to differentiated purchasing and marketing circuits through value chains linked to export companies and products was noted in the case of *Oportunidades Rurales*, while *Campo Emprende* was more linked to short circuits, local markets and diversification of non-agricultural employment and income (services, rural tourism, gastronomy, green businesses, among others).
18. In highly insecure and conflict-affected rural scenarios, strengthening of the resilience of families and associations was an important accomplishment, which was

made possible by a set of coherent **innovations** based on: (i) participatory approaches that were suited to meeting the varying demands of small-scale producers and entrepreneurs; (ii) mechanisms for direct and transparent transfer of resources to associations, which contributed their own funds as co-investors; and (iii) methodologies for peer-to-peer training and knowledge-sharing. Innovation was therefore rated as *satisfactory*.

19. **Impact on rural poverty.** The available documentary information reviewed, and the observations made and interviews conducted in the course of the fieldwork, revealed various levels of *moderately satisfactory* impact.
20. *Income, employment and physical assets.* Under *Oportunidades Rurales*, household income per year increased by US\$5,502 (10 per cent) and 95 per cent of households increased their physical assets. According to the preliminary results of *Campo Emprende*, the average total family income rose by between 62 and 72 per cent, and 92 per cent of the families involved increased their tangible and intangible assets by at least 3 per cent. Two structural problems in Colombian agriculture continue to discourage investment: (i) legal insecurity with regard to land tenure; and (ii) violence and armed groups.
21. *Food security.* Positive impacts on the food security of families are mainly attributable to production and diversification of activities, which improved self-consumption and income generation. According to surveys conducted in the framework of IFAD projects, under *Oportunidades Rurales*, malnutrition among children under 5 years of age decreased from the baseline of 20 per cent to 15 per cent. Under *Campo Emprende*, 76 per cent of beneficiaries indicated that food quality had increased, while 81 per cent said that food diversity had increased.
22. *Human and social capital.* Given that most of the families participating in the projects have been victims of various forms of violence and armed conflict, the rebuilding of the social fabric; resilience; empowerment, especially of women; youth participation; and enhanced appreciation of Indigenous and Afrodescendent identities were important results.
23. *Rural institutions and policies.* The greatest impact identified was at the level of local associations and a gradual increase in coordination – through agreements and joint activities – with institutions at the territorial level. Weaknesses were found with regard to cooperation with local governments, an important factor for governance and sustainability.
24. **Gender equality and women’s empowerment.** The projects promoted a high level of participation by women: *Oportunidades Rurales* reached 44 per cent of direct beneficiaries, while *Campo Emprende* reached 56 per cent. This translates into thousands of women involved in: (i) economic empowerment (access to financial and physical economic assets, with emphasis on diversifying and obtaining complementary income); (ii) political empowerment (influence in rural institutions and organizations, especially leadership by rural women under business plans and in associations); and (iii) citizen empowerment (capacity-building in business management and marketing). Less evident is the reduction of women’s workload in the home. The connection between different types of empowerment and the active involvement of women and youth as dynamic actors in rural territories and medium-sized towns and cities is noteworthy. The evaluation found the process and the results achieved to be *satisfactory*.
25. **Sustainability.** Mixed results were found with regard to sustainability, which was assessed as *moderately satisfactory*. In terms of *social sustainability*, the evaluation noted a high level of ownership of business plans, fostered by the significant family and associative base and the contributions by beneficiaries of money and work. With regard to *economic and financial sustainability*, most of the businesses promoted through calls for proposals under *Campo Emprende* were in operation at the time of

the evaluation. However, it was noted that there have been limitations in the continuity and quality of access to technical and financial services, which have been aggravated in recent years by external international factors (the pandemic, the war in Ukraine).

26. In terms of *institutional sustainability*, IFAD's approaches have been appropriated by the Ministry of Agriculture and Rural Development, especially its Directorate for Productive Capacities and Income Generation. However, an exit strategy that would have gradually strengthened decentralized operations and capacities at the territorial level was lacking from the outset.
27. *Scaling up was moderately unsatisfactory*. There was no explicit strategy for scaling up, and it was thus difficult to see, even within IFAD itself, the gradual progress in institutionalization within the Ministry of Agriculture and Rural Development or the securing of new resources, as in the case of Ecopetrol, a large-scale joint venture in the country, which is allowing *Campo Emprende* to continue in some of the country's territories.
28. *Environmental and natural resource management and climate change adaptation were moderately unsatisfactory*. Although these elements were partially included in the design of country strategies and projects, their implementation has been limited to business plans and ventures, all of which have been specific and limited. There has not been a broader strategy at the level of territories and areas of intervention that might have yielded a greater impact, nor has there been sufficient systematization to enable the use of lessons learned and alternatives to develop adaptation and resilience strategies in fragile agroecosystems. However, the results validated in the field might be of interest for public policies in relation to agroecological practices, agroforestry systems, silvopastoral systems, nature tourism led by community associations and other areas.
29. **IFAD performance** was *moderately satisfactory*. Several positive elements were identified, such as the approach and methods applied in rural development projects and the presence of a set of national consultants who are the keepers of the Fund's historical memory in the country and have the capacity to dialogue with local and national institutions. However, the portfolio during the evaluation period was limited to only two loans, with the last, for *Campo Emprende*, coming into effect at the end of 2012, and only one other operation that was designed later but was not negotiated (partly for government budgetary reasons). More than the absence of an office, the turnover of country directors in recent years and the fact that they have to assume responsibilities in various countries, together with weak internal technical support to IFAD, are factors that have limited the possibilities for greater recognition of IFAD in the country and for more comprehensive and strategic portfolio management.
30. **Government performance** was *moderately satisfactory*. The implementation and management of the projects allowed the goals to be met, but each operation faced similar start-up and implementation problems, coupled with a failure to capitalize sufficiently on previous experiences. Monitoring and evaluation systems have improved, especially under *Campo Emprende*, but they remain flawed (e.g. in the gender dimension and impact analysis). They have not been institutionalized within the Ministry of Agriculture and Rural Development itself and show insufficient linkage with government and IFAD information systems.

D. Conclusions

31. On the one hand, **IFAD's country strategies and programmes have been relevant in a complex country context**. IFAD has been a pioneer in bringing approaches and mechanisms into the public policy sphere to address rural poverty through a non-assistance-based model. For two decades it has promoted projects aimed at small-scale producers and entrepreneurs, with broad and diverse national coverage, responding to the demands of these local actors, facilitating their access

to public resources and their ownership of their initiatives, through an approach aimed at rebuilding the social fabric and strengthening the resilience of households and associations.

32. **A successful intervention model for population and territorial targeting** was designed and developed. IFAD-supported projects have been oriented towards rural populations with few assets, post-conflict territories (in recent years), women, youth, Indigenous Peoples and Black, Afro-Colombian, Raizal and Palenquera communities present in poor territories. Support was also provided for initiatives and business plans for citizens' associations located in medium-sized towns and cities, key areas for greater urban/rural dynamization.
33. On the other hand, **the ongoing transition towards diversification of rural strategies needs to be accelerated**. IFAD's operations have evolved from an approach linked to microenterprises and small businesses involved in agricultural value chains towards more diversified ventures. This is consistent with the diversity of activities and multifunctionality that characterize family farming and also with the new rural reality based on non-farm employment and income. Many of these processes and businesses are ongoing, and have yet to demonstrate sustainability, especially in economic, financial and environmental terms. In addition, there has been a general lack of a territorial approach that would make it possible to add value and coordinate stakeholders and assets through more powerful strategies that are not only sector- and association-oriented.
34. **More investment in institutions** is also needed. IFAD's strategies and programmes in Colombia have helped to bolster the country's capacities – which is very important – despite the problems associated with endemic violence and conflict. The programme was particularly successful in that it has helped rural citizens/beneficiaries begin to regain trust in their own organizations and in the state as central elements in advancing the peace process. However, there has been limited progress at the level of local institutions and governance.
35. Finally, it is essential to address the **bottlenecks that reduce IFAD's potential in Colombia**. There is a glaring contradiction in the Fund's performance in Colombia. On the one hand, IFAD has a recognized niche and added value, despite the very low amounts invested in the country (US\$74 million in loans over 40 years). On the other hand, there are persistent limiting factors that have not been overcome, such as: (i) IFAD's weak installed capacity for building effective and efficient partnerships; (ii) knowledge management characterized by a constellation of grant-funded operations that generally did not dialogue with each other or with lending operations, and by insufficient output to adequately communicate evidence of change and impact. There is a need to systematically capture the best lessons learned from the past, but also to innovate and lay stronger foundations for the sustainability of IFAD's country strategy and programme.

E. Recommendations

36. **Recommendation 1. Channel a larger portfolio of resources to expand and dynamize IFAD's country strategy and programme.** Substantially increasing IFAD's portfolio in Colombia will involve: (i) benefiting from the new Borrowed Resource Access Mechanism (BRAM) funding window; (ii) obtaining and increasing, to the extent possible, cofinancing from the Spanish Agency for International Development Cooperation and renegotiating budgetary support with the Government, such as that of the European Union; (iii) ensuring adequate budgetary availability from the Colombian Ministry of Finance and Public Credit; and (iv) identifying and developing new partnerships, with mobilization of shared funds with other cooperation agencies and private or public-private partners.
37. **Recommendation 2. Define a new agenda for cooperation with the Government.** Develop a dialogue with the new Government and key partners to

agree, design and implement a COSOP and a relevant, cofinanced portfolio of projects and grants, based on:

- (a) **Thematic priorities addressed through systemic change**, defined in accordance with the new National Development Plan (2023–2026) for agriculture, with special attention to the implementation of the Comprehensive Rural Reform, for which IFAD can make available its previous experience with differentiated rural strategies. It is suggested, in particular, to support the diversity of activities and the multifunctionality of family farming and conservation and recognition of the value of cultural heritage and local biodiversity, with a view to promoting resilience and adaptation to climate change.
 - (b) **Geographic priorities with a territorial approach**, defined in a more concentrated way than in the past to facilitate real, in-depth implementation of the territorial approach in a critical mass of territories. Given IFAD's track record, one area of focus might be that of the four Pacific departments (Chocó, Cauca, Valle del Cauca and Nariño), with their different agro-ecosystems, including medium-sized towns and cities as articulating nuclei.
 - (c) **Population priorities addressed through an approach oriented towards the sectors with the highest levels of poverty and inequality**. It is suggested that support for Afrodescendent, Indigenous and displaced populations, and those with fewer opportunities and assets, especially women and young people, be strengthened through validated mechanisms, such as direct transfer of resources to these populations. The challenge would be to introduce a more comprehensive approach, not linked only to business plans but also to increasing human and social capital in the selected territories.
 - (d) A **sustainability strategy**, underpinned by the development of local capacities and strengthening of territorial governance and the social fabric. Within this framework, it will be important to define mechanisms for cooperation with local governments and territorial leaders that can support them, avoiding the centralization of operations in Bogotá.
 - (e) **Government counterparts** identified on the basis of their competencies, knowledge and motivation for the implementation of sustainable rural strategies, with a territorial and environmental approach. This will mean re-examining the previous, almost exclusive focus on the Ministry of Agriculture and Rural Development and exploring different partnerships, for example with the Ministry of Environment and Sustainable Development and agencies linked to land and territory, rural development and territorial renewal.
38. **Recommendation 3: Increase IFAD's involvement in the design and implementation of the new country programme and strategy in coordination with the Government and multiple partners.** As part of the strengthening of IFAD's decentralization, the importance of supporting the team that manages the programme in-country (technical support, international staff) should be taken into account so that the next COSOP defines strategic orientations to overcome the historical bottlenecks affecting IFAD's cooperation in Colombia:
- (a) **Knowledge management**, prioritizing the strengthening and institutionalization of information systems aimed at measuring and analysing impact, in coordination with national information systems in Colombia.
 - (b) **Building of solid and operational results-oriented partnerships**, identifying the most suitable partners with whom medium-/long-term synergies can be built, including the private sector. This means not general conceptual frameworks, but operational agreements with shared resources and established areas of action.

- (c) **Concrete mechanisms for dialogue and advocacy on policies, programmes and agendas**, through active dialogue with local stakeholders and institutions in order to help increase their influence on territorial and sectoral agendas.
 - (d) The inclusion of competencies and initiatives that are oriented towards a more holistic and sustainable vision of **natural resources management, biodiversity and climate change adaptation at the territorial level**. This is currently a priority area in which IFAD does not have sufficient experience in Colombia, and new partners are therefore needed.
39. **Recommendation 4. Capacity-building.** The conclusion of a cycle and the current challenges that Colombia faces require a critical mass of new capacities for inclusion, advancement of the peace process, institutionalization and sustainability. Project experiences can be scaled up, providing a system of capacity-building in which institutions such as the National Training Service, advanced technical training institutes and universities committed to the territories can work together in a structured manner.
40. **Recommendation 5. Design a communication strategy aimed at sharing and using results as public goods.** Dedicate resources – supporting the team that manages the country programme – to establish a creative and participatory strategy that will make it possible to: (i) highlight the processes and results of the new country strategy and programme, using the experiences and voices of the stakeholders and territories involved, through an approach that goes beyond the micro level and can “speak” in broader and multi-stakeholder scenarios; (ii) promote IFAD’s contributions with the Government and its partners in relevant spaces for policy advocacy, dialogue with the private sector and others, both nationally and internationally; and (iii) support and disseminate the results of knowledge management and scaling up.