PEACE, STABILITY, & PROSPERITY

COUNTRY DEVELOPMENT COOPERATION STRATEGY

July 17, 2020 - July 17, 2025

Approved for Public Release
USAID/Colombia’s Country Development Cooperation Strategy
July 17, 2020 - July 17, 2025

July 2020
Executive Summary

CDCS GOAL:
A more Stable, Peaceful, and Prosperous Colombia through Inclusive Governance and Equitable Growth

The 2020-2025 Country Development Cooperation Strategy’s goal supports Colombia’s Journey to Self-Reliance.

The 2020-2025 Country Development Cooperation Strategy’s goal supports Colombia’s Journey to Self-Reliance (J2SR). Self-reliance, in this context, is when a country has the capacity and commitment to plan, finance, and implement its own solutions to development challenges. There are three prerequisites to Colombia achieving self-reliance, all of which are reflected in the CDCS’ goal statement. First, Colombia must continue on its path away from over five decades of armed conflict toward peace. Second, this peace must be durable and inclusive in order to foster a stable society. Third, both durable peace and stability are prerequisites for the country’s social and economic prosperity. Once Colombia has durable peace, stability, and prosperity, Colombia’s government, private sector, and civil society can independently address the country’s challenges.

1 “Stability” is defined as a minimum level of social, economic, and security predictability.
Currently, Colombia demonstrates a high level of capacity and commitment to achieve self-reliance, but challenges persist. J2SR Roadmap indicators show Colombia is among the highest capacity recipients of USAID assistance, with scores higher than the global average in nine of the Roadmap’s ten capacity-related indicators. J2SR Roadmap indicators also show Colombia’s high commitment, with scores higher than the global average in six of the Roadmap’s seven commitment-related indicators. Furthermore, the Colombian government has voiced its desire to become an aid donor to less developed neighbors, marking great commitment to self-reliance. That said, there are still other major obstacles to the country’s transition to self-reliance. The encouraging national-level J2SR Roadmap data obscures dramatic inequality and underdevelopment at subnational levels, particularly in the country’s rural areas, which are persistently plagued by violence and poverty. In fact, extreme poverty rates average 37 percent in the most vulnerable rural municipalities compared to only seven percent nationally. These areas are also subject to political violence and the presence of illegal armed groups, both of which are driven by illegal mining, coca production, and other illicit economies. Moreover, migration caused by social, economic, and political instability in Venezuela has exposed Colombia’s development to new pressures. The Coronavirus disease (COVID-19), which emerged as a global pandemic in early 2020, could also undermine Colombia’s development. USAID/Colombia will use portfolio reviews, mid-course stock takings, and Agency-mandated reviews to monitor COVID-19’s impacts. Based on these analyses, the Mission will re-evaluate the CDCS’ strategic approach and make adjustments as necessary. Any of these challenges could undermine Colombia’s transition to self-reliance.

The Peace Accord will potentially bring millions of citizens and formerly unreachable geographic areas firmly within the authority of the Colombian state.

The CDCS meets these challenges and capitalizes on other opportunities. The 2016 Peace Accord presented a tremendous opportunity for peace, stability, and prosperity in Colombia. Therefore, the CDCS’ first Development Objective (DO) consolidates peace gains by creating a more cohesive and inclusive society, thereby mitigating the conditions that contribute to violence. The Peace Accord will potentially bring millions of citizens and formerly unreachable geographic areas firmly within the authority of the Colombian state. As such, the Colombian government can now expand

---

This CDCS' approach to achieving peace, stability, and prosperity - and by extension, self-reliance - is to make governance more inclusive. This means strengthening the transparency and responsiveness of state systems to citizen needs, and increasing the effective participation of citizens and migrants in state systems. This approach expands the presence and influence of the state over all of Colombia’s territories and populations, allowing for the integration of excluded or vulnerable groups. As such, this CDCS’ Results Framework includes Intermediate Results (IRs) shared across DOs, showing the strong influence inclusive governance (DO 2) has on both social cohesion (DO 1) and environmentally sustainable growth (DO 3). Using inclusive governance as the foundation of Colombia’s development will make Colombia more self-reliant. Colombia’s below average Social Group Equality score on the J2SR Roadmap highlights the need for more inclusive governance. It will allow the country’s sustained economic growth to be equitable and better harness Colombia’s unique and diverse social, economic, and environmental resources for a stable, peaceful, and prosperous future.

3 Migración Colombia (2019).
4 Twitter @MigracionCol (2019).
USAID/Colombia, through this CDCS and several new and unique “modalities,” will strengthen Colombia’s capacity for self-reliance. “Modalities,” in this case, refer to development approaches specific to the Mission. For example, USAID/Colombia partners with the private sector on development issues. The CDCS will continue to catalyze private sector investment and build their capacity to lead future development efforts in Colombia. USAID/Colombia also has a diversified partner base. Twenty of USAID/Colombia’s 48 current awards are implemented by local partners; this is 42 percent of the Mission’s portfolio. USAID/Colombia will continue to rely on local private sector and civil society partners, including faith-based, ethnic, and other non-governmental organizations, to drive development. USAID/Colombia is also embracing procurement reforms to support Colombia’s transition to self-reliance. USAID/Colombia, and the U.S. Government more generally, has a strong relationship with the Colombian Government. This CDCS demonstrates this through its new and synergistic alignment with the Colombian Government’s National Development Plan and Peace Accord implementation plan. A stronger government, private sector, and civil society, empowered through the CDCS’ governance approach, will enhance Colombia’s capacity for self-reliant development without foreign assistance. Fortunately, to date, foreign actors have not successfully established alternative development paths in Colombia. The CDCS aligns with U.S. foreign policy objectives as outlined in the Joint Strategic Plan, the Joint Regional Strategy, and the National Security Strategy.

This CDCS specifically targets vulnerable geographies and populations, although these are not always mentioned by name in each of the CDCS’ DOs and IRs. Target populations include youth, women, migrants, social leaders,5 ethnic minorities,6 and internally displaced persons and other conflict-affected populations. Religious freedom and faith-based organizations are not threatened in Colombia. The CDCS has a special focus on building the capacity of emerging young

---

5 “Social leaders” includes human rights and environmental defenders.

6 “Ethnic minorities” or “ethnic populations” primarily refer to indigenous and Afro-Colombian populations.
leaders to sustain long-term outcomes. This CDCS’ target geography is aligned with the Colombian Government’s “peace geography” as laid out in its Territorial Focused Development Plans, or PDETs. These territories are the most vulnerable and conflict-affected areas of Colombia.

USAID/Colombia developed a geographic vulnerability index to determine a new geographic scope for DO 1, DO 2, and DO 3. Major migrant receptor communities comprise the Special Objective’s geographic scope. The presence of this Special Objective does not mean that Venezuelan migrants are excluded from DOs 1, 2, and 3, which are meant to benefit all people living in Colombia regardless of their birth country. The difference between the Special Objective and the other DOs is that the Special Objective tackles challenges specific to receptor communities that are not considered major challenges in non-receptor communities.

---

7 PDET refers to Planes de Desarrollo con Enfoque Territorial, Spanish for Territorial Focused Development Plans.
## Content

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>i</td>
</tr>
<tr>
<td>Abbreviations</td>
<td>vii</td>
</tr>
<tr>
<td>1. Country Context</td>
<td>1</td>
</tr>
<tr>
<td>2. Strategic Approach</td>
<td>4</td>
</tr>
<tr>
<td>3. CDCS Results Framework Narrative</td>
<td>10</td>
</tr>
<tr>
<td>Annexes</td>
<td>28</td>
</tr>
</tbody>
</table>
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADS</td>
<td>Automated Directives System</td>
</tr>
<tr>
<td>AECID</td>
<td>Spanish Agency for International Development Cooperation</td>
</tr>
<tr>
<td>AFD</td>
<td>French Development Agency</td>
</tr>
<tr>
<td>CAF</td>
<td>Latin America Development Bank</td>
</tr>
<tr>
<td>CDCS</td>
<td>Country Development Cooperation Strategy</td>
</tr>
<tr>
<td>CLA</td>
<td>Collaborating, Learning and Adapting</td>
</tr>
<tr>
<td>CONPES</td>
<td>Colombia’s National Council on Social and Political Economy <em>(Consejo Nacional de Política Económica y Social)</em></td>
</tr>
<tr>
<td>COVID-19</td>
<td>2019 Coronavirus disease</td>
</tr>
<tr>
<td>DANE</td>
<td>Colombia’s National Administrative Department of Statistics <em>(Departamento Administrativo Nacional de Estadística)</em></td>
</tr>
<tr>
<td>DFC</td>
<td>Development Finance Corporation</td>
</tr>
<tr>
<td>DFID</td>
<td>United Kingdom’s Department for International Development</td>
</tr>
<tr>
<td>DIS</td>
<td>Development Information Solution</td>
</tr>
<tr>
<td>DNP</td>
<td>Colombia’s National Planning Department <em>(Departamento de Planeación Nacional)</em></td>
</tr>
<tr>
<td>DO</td>
<td>Development Objective</td>
</tr>
<tr>
<td>DOAG</td>
<td>Development Objective Agreement</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FARC</td>
<td>Revolutionary Armed Forces of Colombia <em>(Fuerzas Armadas Revolucionarias de Colombia)</em></td>
</tr>
<tr>
<td>FSN</td>
<td>Foreign Service National</td>
</tr>
<tr>
<td>FSO</td>
<td>Foreign Service Officers</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>G2G</td>
<td>Government to Government</td>
</tr>
</tbody>
</table>
GAO  U.S. Government Accountability Office
GBV  Gender-based violence
GDA  Global Development Alliances
GEIH  Colombian Large Integrated Housing Survey
     *(Gran encuesta integra de hogares)*
GIS  Geographic Information System
GIZ  German Development Agency
GRUC  Colombia’s Group of Cooperating Partners
     *(Grupo de Cooperantes)*
IADB  Inter-American Development Bank
IR  Intermediate Results
ITU  International Telecommunication Union
J2SR  Journey to Self-Reliance
JICA  Japanese International Cooperation Agency
KOICA  Korean International Cooperation Agency
LGBTI  Lesbian, Gay, Bisexual, Tran and Intersex
MEL  Monitoring, Evaluation, and Learning
NDP  Colombia’s National Development Plan
     *(Plan Nacional de Desarrollo)*
OAS  Organization of American States
OECD  Organization for Economic Co-operation and Development
OHCHR  United Nations Office of the High Commissioner for Human Rights
OTI  Office of Transition Initiatives
PDET  Territorial Focused Development Plans
     *(Planes de Desarrollo con Enfoque Territorial)*
PMP  Performance Management Plan
PSE  Private Sector Engagement
RDR  Redefining our Development Relationships
REDD Reducing Emissions from Deforestation and Forest Degradation
SAIH Norwegian Students’ and Academics’ International Assistance Fund
SIDA Swedish International Development Cooperation Agency
SIVJRNR Colombia’s Comprehensive System of Truth, Justice, Reparation and Non-repetition
(Sistema Integral de Verdad, Justicia, Reparación y No Repetición)
UK  United Kingdom
UN  United Nations
UPRA Colombia’s Rural Agricultural Planning Unit
(Unidad de Planificación Rural Agropecuaria)
U.S.  United States
USAID United States Agency for International Development
USCGI United States-Colombia Growth Initiative
USDH U.S. Direct Hire
USPSC U.S. Personal Services Contractors
I. Country Context

Colombia’s development situation is dramatically different from what it was five years ago. The signing of the Peace Accord, increased coca cultivation and related criminality, and the social and political instability in Venezuela have altered Colombia’s development landscape. These major changes have ushered in new challenges and new opportunities for the country’s transition to self-reliance.

The Peace Accord presents a tremendous opportunity for peace and stability in Colombia, although insecurity persists. In 2016, Colombia’s congress ratified a historic peace agreement between the Colombian Government and the Revolutionary Armed Forces of Colombia (FARC). However, peace can be precarious and the Accord’s implementation has been uneven. Evidence suggests that the greatest predictor of future violence is a recent history of violence. This is because many of the conditions that originally contributed to the violence – grievances, land conflicts, emotional scars, and illegal activities – are still present in society. When the FARC demobilized, various armed groups attempted to fill that power vacuum to control lucrative coca networks and illegal mining areas. As a result, violence, impunity, and a culture of illegality persist in many parts of Colombia. Since 2016, there has been an increase in threats and violence against social leaders,8 including USAID partners, many of whom advocate for human rights and act or speak out against illegal mining, coca production, and other destabilizing activities. The J2SR Roadmap also shows that Colombia lags behind other low- and middle-income countries in measures of Safety and Security. Citizen security has become a touchstone of rural development as multiple FARC dissident groups and other domestic and transnational criminal organizations compete for territorial control, with coca cultivation representing the primary spoiler to peace.

Colombia’s lucrative illicit economies, driven by coca production, illegal mining, and arms and human trafficking, contribute to violence and instability. Colombia is the world leader in coca production at around 170,000 hectares of land cultivated per year, which is an all-time high.9 The country also supplies 70 percent of the cocaine consumed globally and 90 percent of the cocaine consumed in the United States (U.S.).10 Coca cultivation is most prevalent in areas of the country controlled by illegal armed actors, and 95 percent is cultivated in the Colombian Government-defined peace geography.11 Colombia’s illegal gold mining also generates considerable profits for illegal groups, which are often the same organizations that control coca networks. It is estimated that illegal mining generates $2.4 billion in criminal cash annually in Colombia, which is three times the amount generated from cocaine production.12 Like coca cultivation areas, illegal mining areas are also controlled by illegal armed actors.

8 “Social leaders” includes human rights and environmental defenders.
9 Colombia Reports (2019a).
11 “Peace geography” refers to target areas for the Colombian Government’s participatory development plans with a territorial focus, known as Planes de Desarrollo con Enfoque Territorial, or PDETs. The PDETs guide the Colombian government’s development efforts and focus on the most vulnerable areas, which are also largely rural.
12 Wyss and Gurney (2018).
groups and result in more dire environmental impacts. These include erosion, river sedimentation, mercury contamination, and widespread deforestation. Many of these land-related challenges are exacerbated by poor land titling in Colombia, with only about 54 percent of Colombian landholders formally owning their lands. This lack of formal ownership weakens land governance and limits the government’s ability to regulate land use and land administration, making land susceptible to illicit activities by unauthorized groups.

Colombia’s rich natural environment is under threat. Colombia is the second most biodiverse country in the world, yet has the fourth highest deforestation rate in the world. Deforestation increased by 44 percent between 2015 and 2016 and by 23 percent between 2016 and 2017. This increase was driven by increased cattle ranching, land speculation, illegal gold mining and coca production, and palm oil production and other agricultural activities in areas inaccessible prior to the Peace Accord. Illegal logging and wildlife trafficking are other illicit activities that impact Colombia’s biodiversity. These environmental impacts can also lead to violence: Colombia has the second highest homicide rate in the world of environmental defenders. Moreover, climate change is shrinking Colombia’s Andean glaciers, interrupting hydroelectricity generation, which supplies 60 percent of the country’s power.

The Peace Accord’s effective implementation will bring public services and other territorial benefits to millions of citizens in formerly unreachable areas. The J2SR Roadmap shows Colombia with a lower score on Social Group Equality than the average score for other low- and middle-income countries. Although the J2SR Roadmap shows Colombia is above average in most development metrics at a national level, it does not consider Colombia’s massive inequality between well-developed cities and the less-populated but much more expansive rural areas of the country. In these areas, often plagued by years of armed conflict and extreme poverty, development indicators are similar to those in the poorest countries of the world. For example, 55 percent of the population in rural, conflict-affected areas live in poverty and do not have access to finance - only six percent of all loans in Colombia go to rural areas.

14 Butler (2016).
15 IDEAM statistics as cited in Colombia Reports (2019b).
16 Justice for Colombia (2019).
17 DANE (2019).
Venezuela’s social, economic, and political upheaval has driven millions from the country in search of food, basic services, and economic opportunities. Most sources determine that between 1.6 million\(^{19}\) and two million\(^{20}\) Venezuelans have entered Colombia since 2015. For the first time in Colombia’s history, the country has more migrants entering the country than leaving it. This massive population influx is placing strains on receptor communities and their local governments. These strains are exacerbated by the return of Colombians previously displaced by the armed conflict. Not managing these societal strains could undermine Colombia’s Journey to Self-Reliance, threatening the development gains highlighted in the J2SR Roadmap. Colombian returnees and Venezuelan migrants also represent new possibilities for economic growth and cultural wealth, which, if harnessed effectively, could contribute to Colombia’s Journey to Self-Reliance.

Colombia demonstrates a high level of capacity and commitment to achieve self-reliance, but challenges persist. J2SR Roadmap indicators show Colombia is among the highest capacity recipients of USAID assistance, with scores higher than the global average in nine of the Roadmap’s ten capacity-related indicators. J2SR Roadmap indicators also show Colombia’s high commitment, with scores higher than the global average in six of the Roadmap’s seven commitment-related indicators. Furthermore, the Colombian Government has voiced its desire to become an aid donor to less developed neighbors, marking great commitment to self-reliance.

\(^{19}\) Migración Colombia (2019).
\(^{20}\) OAS (2019).
2. Strategic Approach

The CDCS’ strategic approach to building self-reliance in Colombia is to confront challenges directly and capitalize upon opportunities. The main opportunities to leverage include USAID/Colombia’s diverse base of civil society partners, USAID/Colombia’s strong engagement with the private sector, and the U.S. government’s strong bilateral partnership with the Colombian government, which this CDCS strengthens by supporting Colombia’s National Development Plan (NDP)\(^{21}\) and Peace Accord implementation, including geographic alignment with the Peace Accord’s “peace geography” as laid out in its Territorial Focused Development Plans, or PDETs.\(^{22}\) The main challenges to confront include the Venezuela migration crisis and widespread illegal economies, which fuel violence, insecurity, and criminality. This CDCS’ strategic approach to most thematic areas - such as youth, gender, governance, economic growth, citizen security, ethnic minority groups, public sector, private sector, and civil society engagement - has continued but evolved from the previous CDCS’ strategic approach. However, the strategic approach to environmental protection has been elevated from an individual Development Objective to a cross-cutting, portfolio-wide objective. This CDCS also includes a digital strategy, which was not a focus of the Mission’s previous strategy. These changes are described below.

The CDCS DOs implement this strategic approach by confronting Colombia’s most severe development challenges. The first DO is to build a more cohesive and inclusive society resilient to conflict and resistant to influence from illegal armed groups. This consolidates peace gains by building off the Peace Accord and helping conflict-affected communities prevent and recover from violence. To achieve this objective, the Mission will expand citizen security and community protection programming. At the same time, the Peace Accord’s implementation will bring state services and institutions to formerly neglected areas. The second DO builds on this opportunity by helping to expand the state’s presence into these areas and providing mechanisms to give citizens voice. This would increase the effective participation of citizens in state systems and channel their interests to democratic institutions rather than to illegal armed groups. The third DO seeks equitable and environmentally sustainable economic growth by expanding licit economies and livelihood opportunities, allowing all Colombians to prosper. USAID/Colombia will continue to work with the Bureau of International Narcotics and Law Enforcement Affairs on these issues and others. Through these three DOs and related programming, the Mission supports the efforts of the U.S. International Development Finance Corporation (DFC) under the United States-Colombia Growth Initiative (USCGI). The USCGI seeks to halve coca production in Colombia by 2023 through five strategic pillars that are aligned with this CDCS’ objectives.

---

\(^{21}\) Plan Nacional de Desarrollo in Spanish, which is set to expire in 2022.

\(^{22}\) PDET refers to Planes de Desarrollo con Enfoque Territorial, or Spanish for Territorial Focused Development Plans.
This CDCS makes a social contract approach to inclusive governance the foundation of the CDCS, through DO 2 and the shared IRs. The social contract approach strengthens both the government’s ability to deliver services and civil society’s ability to participate in government systems. This approach, combined with the CDCS’ shared IRs, uses governance to integrate individual efforts to expand licit economies (DO 3) and create greater security (DO 1) toward the same goal, instead of pursuing disparate development challenges. Additionally, inclusive governance allows the country’s sustained economic growth to be equitable, publicly informed, and more inclusive of Colombia’s unique and diverse social, economic, and environmental resources.

The CDCS’ Special Objective to stabilize areas impacted by migration from Venezuela will protect Colombia from backsliding in its journey to self-reliance. The large influx of Venezuelan migrants into Colombia have placed strains on receptor communities. These strains are exacerbated by the return of Colombians who were displaced by the armed conflict. The settlement of these migrants is not anticipated to be short-term. Therefore, the CDCS’ Special Objective adapts to this long-term settlement by increasing local capacity to absorb these new arrivals and plan for their possible long-term stay. This complements the Bureau of Population, Refugees, and Migration and the Office of U.S. Foreign Disaster Assistance’s humanitarian relief efforts. These returning Colombians and arriving Venezuelans also represent new possibilities for economic growth and cultural wealth.

USAID/Colombia uses environmental interventions as a crosscutting strategic approach to achieve peace, stability, and prosperity. As described above, Colombia is facing unprecedented environmental challenges. The Peace Accord provisions related to environmental issues make natural resource conservation an essential dimension for peace and stability. Meanwhile, the Colombian Government’s National Development Plan states that environmental sustainability contributes to Colombia’s national security. Addressing environmental threats and improving natural resource management: (1) addresses the drivers of conflict and criminal activity such as illegal mining and coca production; (2) strengthens social cohesion, civic engagement, and responsible governance; and (3) protects and leverages environmental assets as an engine of inclusive and sustainable economic growth. Environmental protection and sustainability are more than a means to an end, but an end in itself, as Colombia’s rich environment provides countless environmental services that benefit human wellbeing. The CDCS strategically embeds environmental interventions within each of the CDCS’ development objectives, elevating its importance for achieving broader goals. This strategic approach to integrate environmental issues across the CDCS is a shift from the Mission’s previous CDCS, which contained environmental issues within a single Development Objective.

The CDCS prioritizes gender equality and female empowerment across USAID/Colombia’s portfolio. Gender equality refers to the equal access to rights and opportunities by men, women, and the lesbian, gay, bisexual, transgender, and intersex (LGBTI) communities. The Gender Analysis carried out for this CDCS noted significant progress integrating gender across the portfolio, turning USAID gender-equality policies into USAID/Colombia Mission practices and programs. The Mission has a comprehensive Gender and Social Inclusion Mission Order that establishes a clear gender policy and defines the specific roles and responsibilities of each Mission office to promote gender equality and female empowerment. The Mission Order also mandates integrating these themes throughout the program cycle. All USAID/Colombia activities must present a Gender and Vulnerable Populations
Strategy along with their annual work plan. As a result, the number of gender specialists working with our implementing partners has increased from two in 2013 to more than 40 in 2020. The Mission will continue its Gender and Social Inclusion Community of Practice, which shares and integrates best practices on gender and social inclusion issues with implementing partners. This strategic approach to gender engages the private sector to support women’s economic empowerment and targets specific populations such as the LGBTI community and female youth, migrants, and social leaders. The CDCS also emphasizes reducing gender-based violence in its Results Framework.

USAID/Colombia’s expanding work with youth addresses youth vulnerability and aligns with the Agency’s youth development policies. The Mission’s youth strategy implements USAID’s Positive Youth Development policies by developing youth leadership skills, promoting youth economic opportunities, increasing youth participation in community development, engaging families to foster protective environments for youth, and developing the social and technical skills of Colombia’s young people. The Mission also uses prevention-based programs to keep youth from being lured into criminal networks and supports the Colombian Government’s efforts to reintegrate youth in conflict with the law, including those recruited by illegal armed groups. USAID/Colombia follows the U.S. Government’s strategy of Advancing Protection and Care for Children in Adversity by protecting youth from abuse, neglect, violence, and exploitation. These efforts are critical since over half of Colombia’s homicide, physical violence, and sexual violence victims are between the ages of 10 and 29 years old. Moreover, 60 percent of demobilized ex-combatants reported being recruited as minors into illegal armed groups; the average age of recruitment was 13. Colombian youth are more vulnerable than the general population to poverty, unemployment, and certain public health issues, such as teen pregnancy. The Mission’s strategy empowers youth to contribute to Colombia’s social, economic, and political development and long-term self-reliance.

USAID/Colombia will utilize a local empowerment strategy for ethnic populations, which include indigenous and Afro-Colombian communities. Over the past 20 years, USAID/Colombia has promoted the social, economic, and political inclusion of indigenous people and Afro-Colombians into the broader society while promoting culture and tradition. USAID/Colombia has adapted its programming from sectoral support to stand-alone activities and, most recently, direct support for indigenous and Afro-Colombian organizations. The CDCS’ strategic approach aligns with USAID’s new policy, “Promoting the Rights of Indigenous Peoples.” This CDCS supports peace implementation in ethnic territories and specifically focuses on developing the “orange economy,” which refers to the production and promotion of cultural goods, services, and activities. Indigenous people and Afro-Colombians represent 14 percent of the national population but, despite legislative advances and official cultural recognition, are disproportionately victims of violence, exclusion, and discrimination. These communities are more likely to live in poverty, have limited access to services, and be disproportionately affected by violent conflict. Ethnic communities are also underrepresented in decision-making positions and their social and economic mobility is limited. USAID/Colombia’s local empowerment strategy will address these vulnerabilities and contribute to Colombia’s self-reliance.

23 Instituto Nacional de Medicina Legal y Ciencias Forenses (2018).
24 Instituto Nacional de Medicina Legal y Ciencias Forenses (2018).
26 OHCHR (2010).
USAID/Colombia will expand the use of digital technology to achieve development objectives. This is a new strategic area within the Mission’s programming that was not in the Mission’s previous CDCS. These technologies will enhance development results, connect citizens to markets and governments, and help activities reach Colombia’s most isolated and conflict-affected areas. However, Colombia ranks last among OECD countries in both mobile and fixed broadband penetration; only 64 percent of Colombians have access to the internet, including 50 percent of households and 65 percent of smartphone users. USAID/Colombia will apply the Agency’s new Digital Strategy and incorporate recommendations from the recent Digital Ecosystem Country Assessment in all activity designs, treating digital solutions as a complementary approach rather than a standalone solution. The Mission will build the capacity of the government, the private sector, and civil society in new digital practices, such as digital financing or secure social networking. USAID/Colombia will also enhance rural internet connectivity under shared IR.2/3.1. Where connectivity activities are implemented, USAID/Colombia will leverage resources from existing activities, such as rural finance and land titling, to more quickly reach beneficiaries. The Mission will work with the Colombian Government on internet policy and infrastructure with responsible actors who uphold international standards on data privacy. It will also build digital literacy and skills of youth, women, and ethnic populations.

This CDCS prioritizes Private Sector Engagement (PSE) across the portfolio. This is outlined in the Mission’s PSE Strategy, which is developed annually, and aligns with the four operational principles in USAID’s global PSE Policy. As such, the Mission encourages local and U.S. private sector entities to collaborate and co-create activities. Since 2012, USAID/Colombia has leveraged and mobilized $1.1 billion in private-sector funds to achieve development objectives. The Mission uses specialized funding instruments, such as financial guarantees, and Global Development Alliances (GDA) to generate private sector investments. Moreover, the number of private sector partnerships created through USAID/Colombia’s programming increased from 15 in 2012 to 121 in 2019. The Mission’s PSE team will continue supporting activities from all technical offices to include PSE components in their designs, and monitoring and evaluation frameworks. Moreover, the Mission will work closely with the DFC to mobilize additional private sector resources to finance solutions to Colombia’s most critical challenges.

USAID/Colombia’s local engagement strategy pursues activities that are led by Colombian partner organizations. USAID/Colombia has increased local partnerships to advance the Mission’s development objectives. In 2013, the Mission had only three local implementing partners. Currently, Colombian organizations implement 20 of the Mission’s 48 activities. This increase in local partnerships is expected to continue, supporting the Agency’s New Partnership Initiative. The CDCS will seek alliances with non-governmental organizations, particularly youth, faith-based, indigenous, and Afro-Colombian organizations. These partnerships have led citizen-driven changes, advanced social cohesion, and promoted licit economic opportunities, responsive governance, and biodiversity conservation, among other objectives. The Mission will also build the capacity of these organizations to lead future development efforts in Colombia, improving the country’s self-reliance.

The Mission will continue to leverage its comparative advantages within the donor community to convene donors and maximize thematic effectiveness. Most bilateral and multilateral donors in Colombia focus on poverty reduction, enhanced security, and peace implementation. However,
USAID/Colombia, as the largest bilateral donor to Colombia, can invest more deeply and sustainably in these areas than other donors. For example, USAID/Colombia will formalize all land in 10 municipalities, a massive undertaking. USAID/Colombia is also the best positioned donor to convene the three main actors in Colombia’s development, namely Colombia’s government, private sector, and civil society. This is because of: the U.S. Government’s close relationship with the Colombian Government; the Mission’s ability to work directly with civil society groups, including ethnic communities; and the Mission’s wide variety of private sector partnerships. This was clear in the Mission’s response to the Venezuelan migration crisis in which USAID/Colombia was the first to convene Colombia’s development actors, including the donor community, to coordinate humanitarian and medium- and long-term development efforts. This was also evident in USAID/Colombia’s convening of donors for the Peace Accord’s Interinstitutional Transitional Justice System, and ongoing participation in government-led coordination initiatives such as the International Cooperation Group and Comprehensive System of Truth, Justice, Reparation and No Repetition. The Mission remains the central actor in these and other themes. Moving forward, the Mission will expand its convening and coordinating role among donors in Colombia - such as the World Bank, Inter-American Development Bank (IADB), and United Nations Development Programme, among others - to reduce geographic dispersion and programmatic redundancy, while promoting donor complementarity. The Mission will also allow other donors to lead in areas in which they are better positioned. For example, this CDCS concentrates less than other donors on infrastructure, as other donors are comparatively better placed to support this area.

**MILESTONES**

This CDCS’ target geography will be more narrow and focused than USAID/Colombia’s previous strategies, representing a milestone in Colombia’s advancement towards self-reliance. The Mission’s previous CDCS covered 645 of Colombia’s 1,122 municipalities while this one will have a more concentrated focus on PDET municipalities, or the “peace geography,” and designated migrant receptor communities. USAID/Colombia uses a weighted vulnerability index to determine its target geography. The weighted index uses 10 criterion to determine municipal vulnerability, including: demographics, security conditions, population dispersion, socio-economic vulnerability, institutional presence, the economic environment, the presence of illegal economies, USAID’s current and past presence, natural resource and biodiversity risks, and the Colombian Government’s peace geography of 170 PDET municipalities. Using a weighted index to determine geographic vulnerability provides the Mission with geographic flexibility. For example, if different priorities emerge, these new indicators can be plugged into the index to determine an updated target geography. This targeted geography is consistent with the Colombian Government’s territorial development plans, which also prioritize development in Colombia’s most vulnerable areas, or peace geography. USAID/Colombia anticipates that approximately 75 percent of resources will target PDET municipalities, which underscores USAID/Colombia’s strong partnership with the Colombian Government and support for the country’s strategic transition to self-reliance.

30 Sistema Interinstitucional de Justicia Transicional.
31 Grupo de Cooperantes (GRUC).
32 El Sistema Integral de Verdad, Justicia, Reparación y No Repetición (SIVJRNR).
33 Planes de Desarrollo con Enfoque Territorial (PDET), the Colombian Government’s defined “peace geography”.
If USAID/Colombia increases stability in communities affected by the Venezuelan migration crisis, it would mark a significant milestone in Colombia’s transition to self-reliance. The social, political, and economic unrest in Venezuela has led to millions of Venezuelans fleeing the country. Colombia has received more of these migrants than any other country. However, Colombia’s government and civil society were largely unprepared for this massive influx of people. Institutions, especially in border areas and receptor communities, are finding it difficult to provide services to people, and labor markets have not been able to absorb the increased labor supply. This is unsurprising, given that for Colombia’s entire modern history it has been a net emigration country. Now, for the first time, it is a net immigration country. For the past 50 years, on average, Colombia lost 200,000 to 300,000 people per year from migration, but since 2016 has gained over a million.³⁴
GOAL STATEMENT:
A More Stable, Peaceful, and Prosperous Colombia through Inclusive Governance and Equitable Growth

The 2020-2025 Country Development Cooperation Strategy’s goal supports Colombia’s journey to self-reliance. Self-reliance, in this context, is when a country has the capacity and commitment to plan, finance, and implement its own solutions to development challenges. There are three prerequisites to Colombia achieving self-reliance, all of which are reflected in the CDCS’ goal statement. First, Colombia must continue on its path away from conflict toward peace. Second, this peace must be durable in order to foster a stable society. Third, both durable peace and stability are prerequisites for the country’s social and economic prosperity. We define stability as a minimum level of predictability in security and economic facets of life. Once Colombia has durable peace, stability, and prosperity, Colombia’s government, private sector, and civil society can independently address the country’s challenges.
DEVELOPMENT OBJECTIVE 1:
A More Cohesive and Inclusive Society Resilient to Conflict

This DO focuses on building social cohesion and resilience to violence, both of which are precursors for a functional and peaceful democracy and Colombia’s Journey to Self-Reliance. Colombia’s Social Group Equality ranking and Safety and Security ranking in the J2SR Roadmap are both below average for low- and middle-income countries. As such, improving society’s inclusiveness, which improves equality, and cohesiveness, which improves security, are both critical to reduce violence. Also, strengthening Colombia’s peacebuilding mechanisms that address its violent past will help society move forward peacefully. Peacebuilding mechanisms that must be strengthened or advanced include reconciliation, reintegration, truth-telling, and psychosocial support processes. The Mission will engage key stakeholders to reach more people with its peacebuilding efforts. Such actions can help individuals recover from violence and communities prevent violence, as articulated in IRs 1.1 and 1.2. Colombian “society” includes all people living within Colombia, including non-Colombian migrants.

DO 1 Development Hypothesis

IF society is more cohesive and inclusive, THEN society will be more resilient to contributors of violence and be able to advance toward a stable and sustainable peace.

IR 1.1: Individuals Empowered to Recover from Violence

The 50-year armed conflict in Colombia left lasting effects on conflict-affected populations. The ability of these individuals to recover from these effects has long-term ramifications on peace and development. This is because recovering from past traumas, reintegrating conflict-affected persons, and helping over eight million conflict victims find justice and reparations will promote social cohesion and make society more resilient to renewed conflict, thereby creating more optimal conditions for long-term development. As such, this IR builds resilience to violence by empowering individuals to recover from violence. It does this by integrating excluded groups into society so they avoid falling into violent behavior, allowing trauma-affected persons to access psychosocial services, and advancing truth-telling and reparation processes to allow victims to move on from past abuses and contribute to a more cohesive society.

IR 1.2: Enhanced Community Capacity to Prevent Violence

Communities with a history of violence are more likely to devolve into renewed violence. This is because the original conditions that contributed to violence were never resolved, even if some of the violent actors were removed. Conditions that contribute to violent conflict include weak rule of law, weak land governance, little trust among community groups, and low tolerance, or xenophobia, toward certain demographics. Communities with such divisions are more vulnerable to conflict and influence from illegal armed groups. Therefore, community reconciliation processes that minimize community divisions will help prevent future violence. To promote community reconciliation, this IR enhances trust among neighbors, confidence in local authorities, peaceful coexistence among different
community actors, and respect within the community for human rights and the rule of law. This IR’s focus on strengthening the rule of law aligns with the USCGI’s mandate and will be enhanced by DFC collaboration. This IR is oriented toward achieving community-level results, although achieving these results will require collective actions from individuals, communities, and the government.

Shared IR 1/2.1: Improved Governance for Citizen Security

This IR improves governance systems and civic engagement to make society safer and more resilient to conflict. This IR leverages the governance strengthening from DO 2 to help achieve the conflict resilience sought in DO 1. Activities will support, and benefit from, the DFC and USCGI’s investments in security improvements and strengthen the protection and violence prevention systems that respond to citizen security needs. Activities will work with communities to identify and address the leading socio-economic risk factors to increased violence and criminality. One example would be to support strategies and systems that reduce gender-based violence (GBV), particularly the GBV that has accompanied Colombia’s war-to-peace transition. As a key strategy to sustainably reduce violence, this IR will strengthen community resilience to withstand increasing pressures from illegal groups, improve conflict mitigation and management, and reduce the risk that community members will engage in violent and illegal behavior. This IR will reduce impunity by supporting the justice system’s investigations, prosecutions, and convictions of violent crime and will build relationships between justice sector operators and communities affected by violence. This IR will focus on addressing the regional patterns of crime that threaten citizen engagement in key governance and peace-implementation processes.

DO 1 Alignment with Colombian Government Priorities

DO 1 is aligned with Peace Accord chapters on the “end of the conflict” and “conflict victims.” This is especially true for the CDCS’ violence prevention, reintegration, reconciliation, and victim support. The CDCS is highly aligned with the NDP’s “legality” priority. The CDCS’ first DO, particularly IR 1.1 and 1/2.1, is fully aligned with Colombia’s new Citizen Security Public Policy and the NDP, which includes expanded human rights and promotes social dialogue and citizen participation. The NDP’s security-related priorities are aligned to CDCS goals with the exception of “national defense,” which is outside of USAID’s mandate. Contributing to “Colombia on the global scene,” as articulated in the NDP, is also outside of USAID’s mandate.

The CDCS is fully aligned with the NDP’s “peacebuilding” priority. The CDCS’ DO 1 is to achieve “a more cohesive and inclusive society resilient to conflict.” Within this, the CDCS targets both individuals and the community through peacebuilding efforts. This has been, and will continue to be, an area of comparative advantage for USAID. First, because USAID has many years of experience building peace in Colombia, and second, because USAID can work directly with civil society, including ethnic and faith-based organizations, at the local level.

DO 1 Contributions from Other Donors

Most bilateral aid agencies in Colombia support peacebuilding and violence prevention efforts. The French (AFD) and German (GIZ) development agencies, the second and third largest bilateral development donors in Colombia behind USAID, prioritize social cohesion and peacebuilding in their country strategies. The Japanese International Cooperation Agency (JICA) supports persons with

35 “Citizen security” is defined as the right of all members of society, including migrants and Colombian returnees, to live free from all forms of crime and violence, independent of their legal status in a given country.
disabilities through the Conflict Victims with a Disability Social Inclusion Project. The Swiss Agency for Development and Cooperation reduces youth vulnerability to conflict in the city of Tumaco by creating safe spaces and strengthening youth participation through leadership training and municipal youth platforms. The European Union (EU) also focuses on peacebuilding efforts through security, human rights, youth development, and gender inclusion activities. For example, an EU project promotes community reconciliation and youth capacity building through art and education programs. United Nations’ (UN) agencies, besides supporting peace accord implementation, also support conflict resolution and victims’ rights to justice.

Many development agencies support governance approaches to citizen security. The EU empowers victims and women in peace processes. The EU also works with GIZ and the Colombian Government to strengthen the capacity of regional governments peacebuilding and territorial planning. The Canadian Government helps vulnerable populations access ordinary courts and transitional justice mechanisms. Another project provides sexual health and reproduction rights education to youth. The Norwegian Government facilitates dialogue between civil society and the Colombian Armed Forces on issues like peacebuilding, human rights, transitional justice, security sector reform, and environmental protection, especially in petroleum producing areas. The Norwegian Government also promotes women’s participation in peacebuilding activities in the departments of Meta and Cordoba through leadership training activities. The Norwegian Students’ and Academics’ International Assistance Fund (SAIH) provides training and supports inclusion for vulnerable populations like women, ethnic populations, and the LGBTI community. The Swedish International Development Cooperation Agency (SIDA) helps Colombian organizations understand and disseminate information about the peace agreement; trains and protects human rights defenders; and helps GBV conflict victims access services and receive reparations.
## DO 1 Critical Assumptions and Risks

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Communities will be self-motivated to adopt USAID-supported reconciliation and inclusion practices, and will not require additional incentives.</td>
<td>• The security situation in Colombia will deteriorate significantly.</td>
</tr>
<tr>
<td>• The Colombian Government will continue to financially and politically support peacebuilding in vulnerable, conflict-affected communities.</td>
<td>• Armed groups will become more prevalent and active in USAID-assisted communities, undermining the Mission’s development efforts.</td>
</tr>
<tr>
<td>• The security situation in Colombia will continue to improve at current levels.</td>
<td>• Attacks against social leaders will become more frequent.</td>
</tr>
<tr>
<td></td>
<td>• Community-level distrust of the state will diminish communities’ buy-in to USAID programming.</td>
</tr>
<tr>
<td></td>
<td>• Coronavirus disease (COVID-19) creates openings for armed groups to expand their influence.</td>
</tr>
</tbody>
</table>
DEVELOPMENT OBJECTIVE 2:
Strengthen Governance to Meet Citizen Needs
and Increase Citizen Confidence in the State

A core objective of the 2016 Peace Accord was to increase state presence in rural, conflict-affected areas. Without a functional, trusted state presence, armed groups can exercise territorial control and illicit economies flourish. Improved and responsive governance remains essential for Colombia’s journey to self-reliance. Moreover, citizens and communities must participate actively in governance processes to ensure the government is accountable for delivering services that respond to citizen needs. These services include health, justice, education, security, human rights protections, and natural resource sustainability. Colombia is a longstanding democracy, but key measures on the J2SR Country Roadmap have not shown improvement between 2019 and 2020 in scores for civil society effectiveness, liberal democracy, and government effectiveness. These trends point to the need to strengthen governance. Moreover, this CDCS recognizes that inclusive, accountable, and representative governance contributes to other DOs. As such, this DO has shared IRs with DOs 1 and 3.

DO 2 Development Hypothesis

IF the state’s presence increases, there is greater civic engagement in governance processes, and state services better respond to community needs THEN citizens’ trust in government will increase, and communities will be more peaceful and resilient to illegal actors and economies.

IR 2.1: Expanded State Presence and More Community-Responsive State Service Delivery

This IR expands the state’s service delivery coverage while advancing the Agency’s Financing Self-Reliance approach, which supports the financial sustainability of local governments. Small, poor municipalities have fewer funds and weaker fiscal, institutional, and management capacity, which reduces the quality and coverage of basic services in those areas. Further, corruption costs the Colombian Government an estimated $17 billion a year,36 and low levels of land tax revenue hinder the state’s ability to deliver services, and undermine citizen trust in the government. DO 2 activities will focus on initiatives to expand the state’s presence, improve its transparency and accountability, and build local and national government capacity to provide services that are responsive to the needs of communities. This includes providing services that protect human rights and increase access to justice services.

IR 2.2: Greater Citizen Engagement in Governance Processes37

This IR builds civil society’s technical and institutional capacity to engage the government on priority issues, monitor public service delivery, and improve natural resource management in their territories. Such civic engagement provides the participation and oversight required to ensure that services are

37 Activities under shared IR 1/2 will go hand-in-hand with this IR to ensure that civil society organizations have safe spaces in which to operate.

USAID/Colombia’s Country Development Cooperation Strategy 2020-2025
delivered transparently and respond transparently to community needs. This IR will increase civic participation by supporting civil society’s advocacy and engagement on priority issues. These issues include, but are not limited to, justice, human rights, environmental conservation, and local planning and budgeting. This IR will also focus on increasing the monitoring and oversight capacity of citizens, communities, and civil society organizations to hold public officials and institutions accountable. Finally, this IR empowers indigenous and Afro-Colombian communities to improve governance and environmental management in their territories.

**DO 2 Alignment with Colombian Government Priorities**

DO 2, and the CDCS more generally, is fully aligned with the Peace Accord’s chapter on “political participation.” This DO also aligns with the NDP’s priority of improving public management, but takes a different approach. Whereas the NDP seeks to manage public spending and make public administration more efficient and functional, the CDCS’ DO 2 seeks to improve governance through a social contract approach. A social contract approach to governance increases citizen participation in government systems and decision-making while enhancing the government’s citizen engagement and making governance systems more responsive to citizens’ needs. Such an approach has been shown to improve public management, among many other benefits. The CDCS’ 2.1.2 is also fully aligned with the NDP’s priority to reduce corruption and the CDCS’ 2.2. is fully aligned with the NDP’s priority to increase citizen participation in governance systems.

The CDCS is fully aligned with the NDP’s “decentralization” priority. The CDCS’ IR 2.1 expands the state’s presence to all regions of Colombia. In the wake of the Peace Accord and FARC’s demobilization, large areas of Colombia with limited government presence are now much more accessible to government institutions. The CDCS facilitates the expansion of these institutions, and their related services, into these new areas. This makes development and economic growth more inclusive, particularly of lagging regions. It also makes peace more durable since it allows the state to provide security and justice services in previously conflict-affected communities.

**DO 2 Contributions from Other Donors**

Several donors support good governance initiatives in Colombia, but these differ somewhat from USAID’s social contract approach. The social contract approach to good governance concentrates on both government and citizen contributions to governance. This means creating mechanisms for the government to engage citizens, and increasing the participation of citizens in these mechanisms and other decision making processes. Most donors in Colombia focus their governance efforts on capacity building and improved management. Other donors also have different goals driving their governance initiatives. Whereas USAID/Colombia promotes governance to expand services and the state’s presence, the World Bank promotes fiscal sustainability and IADB promotes public management effectiveness. The bilateral donors tend to prioritize governance less in their strategies compared to the multilaterals, but nonetheless carry out a number of governance-related projects. The Canadian Government trains local and national government officials to provide public services. The United Kingdom’s (UK) Government improves the Colombian Government’s international contracting capacities. The Spanish Government helps implement Colombia’s National Justice Houses Plan in Choco and Nariño by training justice actors and strengthening alternative conflict resolution methods. The EU strengthens civil society organizations’ capacities to develop public policy. The UN

---

38 World Bank (2019b).
strengthens civil society capacities to guarantee women’s rights through the peace agreement. And, the Norwegian Government engages civil society groups to improve financial transparency. Bilateral and multilateral donors also support PDET objectives to expand the state’s presence and deliver territorial benefits across the peace geography.

Like USAID/Colombia, several donors use governance projects to grow the economy and protect the environment. AFD develops regional transformation action plans to implement social and economic investment projects in PDETs. AFD works with Afro-Colombian communities in the Pacific region to improve sustainable forest management. Latin American Development Bank (CAF) develops sustainable urban transportation plans with the governments in the cities of Pasto, Pereira, Montería, and Valledupar to reduce greenhouse gas emissions. The Canadian Government provides technical assistance to Colombian Government entities responsible for environmental and extractive resource management. Norway discourages deforestation by developing alternative supply chains and improving production practices. GIZ, the World Bank, and the Global Environment Facility also support governance efforts to protect the environment.
## Assumptions

- The Colombian Government will continue to open participation spaces for civil society.
- The U.S. and Colombian governments will maintain a strong bilateral relationship.
- Colombian citizens will continue to support the Peace Accord’s implementation and increasingly participate in Colombia’s development.
- The Colombian Government will remain committed to providing the safe and secure environments necessary for good governance.
- Future Colombian administrations will adhere to constitutional mandates to invest public resources in PDETs.

## Risks

- COVID-19 will remain a persistent constraint to opening citizen engagement spaces.
DEVELOPMENT OBJECTIVE 3:
Promote Equitable and Environmentally Sustainable Economic Growth

The lack of clear land rights and economic opportunities in rural, conflict-affected areas contribute to the expansion of illicit economies. Hence, eliminating illicit activities - such as coca cultivation, illegal mining, land grabbing, and illegal logging - and associated levels of violence requires generating new livelihood opportunities for the country’s susceptible populations. It also requires making licit economies more competitive and guaranteeing the rule of law, individuals’ physical security, and access to finance. Activities under this DO will, therefore, support and develop licit livelihoods and licit economies, formalize land, and connect isolated conflict zones with licit markets. Replacing illegal economies and livelihoods with viable legal alternatives will address a foundational barrier to Colombia’s transition to self-reliance. The DO will also protect the environment by increasing economic incentives for citizens to manage natural resources and conserve the environment and by promoting environmental markets and eco-friendly businesses.

DO 3 Development Hypothesis

IF Colombia formalizes land ownership, increases economic opportunities for the country’s rural and most vulnerable populations, and expands licit economies while making them more competitive and environmentally sustainable, THEN illicit economies will contract and economic growth will expand to Colombia’s lagging regions, creating greater economic equality and a healthier environment.

Shared IR 2/3.1: Improved Management of Strategic Assets for Inclusive Economic Growth

There is still a significant development gap between Colombia’s urban and rural areas, despite sustained national-level economic growth and expanded state capacity to deliver services. There are also significant gaps between men and women in accessing strategic assets. Rural post-conflict regions lag behind the development of the rest of the country and have the highest rates of informal land tenure. This shared IR bridges this gap by building and leveraging the country’s strategic assets - such as land, infrastructure, energy supplies, tertiary roads, and natural resources - toward development and peacebuilding in lagging regions. This more inclusive growth will help build citizen confidence in the state (DO 2). Achieving this and other objectives of this shared IR requires improving the governance and management of these strategic assets. There is great potential for DFC collaboration on this shared IR. The DFC’s investments in infrastructure through the USCGI can broaden this shared IR’s reach and scale for building strategic assets.

IR 3.1: Expanded Licit Livelihood Opportunities

This IR focuses on expanding licit livelihood opportunities for individuals living in Colombia. Livelihoods comprise the activities, capabilities, and social and material assets needed to sustain a person’s means of living. Illegal livelihoods are largely a consequence of extreme poverty, the weak rule of law, minimal state presence, and the lack of clear property rights and viable licit livelihood alternatives. As such,
this IR supports the economic prospects of Colombians who have been historically marginalized or are at-risk of engaging in illegal livelihoods. It provides rural Colombians with key inputs and enabling conditions - such as job skills training, access to finance, business development services, land formalization and cadaster updates, and investments in new or expanding local markets - to diversify livelihoods over the long-term. The Mission will work with the DFC to mobilize funds to support the USCGI and deepen this IR’s rural economic development impacts. USAID/Colombia’s continued programming under IR 3.2 to boost rural access to finance will be essential to this effort. Diversifying livelihoods is a key adaptive strategy for building rural resilience to climate change.39 This IR will also provide short-term livelihood opportunities and food security to support families’ permanent transition away from illicit activities. In environmentally protected areas where land formalization is not an option, land use rights and conservation payments will be used to mitigate the risk of individuals in protected areas from cultivating coca.

IR 3.2: More Competitive Licit Economies

This IR makes licit value chains and economies more competitive. Unlike IR 3.1, which focuses on building the individuals’ capacity to make a living, this IR focusses on strengthening the local economies in which these individuals participate. Illegal economies expand when legal economies are not profitable or locally competitive. As such, this IR strengthens local economies so poor, conflict-affected populations are more likely to participate in them and spurn illicit economies. To do so, this IR supports land policies, rural finance, and licit value chains by making them more responsive to market demands. It also supports emerging sectors - like tourism, traditional crafts, and other creative, productive activities - to help diversify Colombia’s economy. Environmental markets such as nature tourism, organic food production, forestry-driven carbon markets, environmental service provision, and sustainable agriculture and livestock production present additional opportunities to further diversify these rural economies. Where possible, innovative new approaches, technologies, or methodologies will be piloted and scaled, particularly through alliances with the private sector. This IR will help connect conflict zones with licit markets, supporting DO 1’s efforts to build a culture of legality.

DO 3 Alignment with Colombian Government Priorities

DO 3 is aligned with Peace Accord chapters on “comprehensive rural reforms” and “illicit drugs.” It is also aligned with the NDP’s priority on “entrepreneurship, formalization, and productivity.” The CDCS promotes private sector engagement to achieve its development goals. This is most clearly articulated in IR 3.2, but private sector engagement is a theme that cuts across USAID/Colombia’s entire portfolio. IR 3.2 also makes targeted value chains more responsive to market demands. This is consistent with the NDP goal of attracting productive investments. The CDCS’ DO 3 is predominantly oriented towards rural development, much like the NDP’s focus on energizing the development and productivity in rural Colombia. Both the NDP and the CDCS’ IR 3.1 prioritize tourism as an emerging value chain.

The CDCS is aligned with the NDP’s “sustainability” priority. DO 3 seeks environmentally sustainable economic growth, which includes efforts to protect and manage land and the environment. USAID/Colombia’s programming is especially strong in this area, since environmental issues cut across the entire CDCS. The CDCS is also aligned with the NDP’s priority to develop the “orange economy.” The CDCS’ IR 3.2 will expand production in emerging cultural and environmental value chains with

Reducing Emissions from Deforestation and Forest Degradation, or REDD, refers to countries’ efforts to reduce emissions from deforestation and forest degradation by fostering conservation, making forest management more sustainable, and enhancing forest carbon stocks.
## DO 3 Critical Assumptions and Risks

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The Colombian Government will continue to invest in strategic assets in priority areas.</td>
<td>- COVID 19’s impacts on the global economy will dramatically reduce Colombia’s economic growth potential.</td>
</tr>
<tr>
<td>- USAID-supported value chains will continue to be profitable.</td>
<td>- A major natural disaster, economic downturn, or other factors will hamper economic growth.</td>
</tr>
<tr>
<td>- Coca production will not increase beyond current levels.</td>
<td>- Illicit economies will expand beyond current geographic areas.</td>
</tr>
<tr>
<td>- The Colombian Government’s land-related institutions will implement Peace Accord mandated activities according to the agreed timelines.</td>
<td>- Strategic value chains will suffer severe price fluctuations, causing small-scale landholders to turn to illicit economies in greater numbers.</td>
</tr>
<tr>
<td>- Climate change will continue to hinder the productivity and profitability of target value chains, but within a manageable range.</td>
<td>- Unexpected delays in the land titling process will force landholders to turn to illicit crops.</td>
</tr>
<tr>
<td>- The Colombian Government will provide physical security to target geographies.</td>
<td>- Climate change will cause an environmental “tipping point,” dramatically altering the sustainability of environmental systems.</td>
</tr>
<tr>
<td></td>
<td>- Illegal group influence expands, preventing people from transitioning away from illicit economies.</td>
</tr>
<tr>
<td></td>
<td>- Increased violence and criminality will make communities non-permissive.</td>
</tr>
<tr>
<td></td>
<td>- The lack of physical security and state presence will deter private sector investment in PDET zones.</td>
</tr>
<tr>
<td></td>
<td>- Demining efforts are not properly coordinated and aligned with land titling programs.</td>
</tr>
</tbody>
</table>
SPECIAL OBJECTIVE:
Stability in Areas Impacted by Immigration from Venezuela

The Colombian Government is facing a crisis caused by the influx of Venezuelans into Colombia. Since 2016, over 1.6 million people have fled Venezuela to Colombia,\(^{41}\) with that number conservatively anticipated to reach 2.5 million by 2021.\(^ {42}\) Venezuelans have settled throughout the country, including in areas where formerly displaced Colombians are also returning. As a result, these receptor communities are facing unprecedented challenges in socially and economically integrating these migrants and returnees. Moreover, government systems related to health, justice, and education services are becoming overburdened. Some of these burdens, and perceived government "handouts" to migrants, build resentment among certain receptor community members, contributing to increased xenophobia toward migrants. The Special Objective accounts for receptor community needs and perspectives in its programming. If not addressed more strategically, this migrant crisis has the potential to disrupt Colombia’s delicate peace process and ultimately undermine Colombia’s journey to self-reliance. That said, many migrants bring skills and professions that can benefit Colombian communities. If these attributes are mobilized towards broader community gains, Venezuelan migration has the potential to catalyze local development and actually expedite Colombia’s journey to self-reliance.

Special Objective Development Hypothesis

\[ \text{IF areas impacted by Venezuelan migration have improved public systems and migrants can participate in the formal economy, THEN these areas will stabilize through greater prosperity and social inclusion.} \]

IR 4.1: Strengthened Public Systems

International humanitarian assistance can relieve near-term burdens on migrants and receptor communities. However, as migrants settle into communities, public systems and local institutions - including faith-based and other civil society organizations - must be strengthened to meet the shifting health, education, security, and governance needs of these communities. Specifically, this DO will enhance the Colombian Government’s border management capacity to document and track incoming migrants and returnees and refer them to services. The DO will also strengthen municipal governments’ capacity to plan for urban growth and make health, justice, and education services accessible to migrants. These efforts will inform the Colombian Government’s migrant-related policy framework. This IR also guarantees basic human rights for migrants and Colombian citizens in receptor communities. These include the rights to respect, dignity, employment, and security, all free from discrimination.

\(^{41}\) Migración Colombia (2019).

\(^{42}\) USAID calculation based on OAS (2019) estimates.
IR 4.2: Increased Participation in the Formal Economy

This IR reduces xenophobia, incentivizes job creation, and supports entrepreneurship in receptor communities, particularly in the formal economy. The inability of many migrants to work legally in Colombia, and fewer economic opportunities overall in receptor communities, can increase competition for scarce jobs, raising the risk of xenophobia and anti-migrant sentiments. The lack of jobs can also trigger migrant participation in illicit economies and recruitment into armed groups. This can have negative downstream impacts on citizen security, community stability, and the environment. This insecurity exposes migrants to sexual exploitation and other human rights violations. Given the likelihood of continued migration and its economic and political strains on Colombia, it is crucial to include migrants in the economic development, and prosperity, of receptor communities. This includes tapping into the potential of highly skilled migrants - such as teachers, doctors, engineers, and other professionals - to contribute to Colombia’s economic growth, thus limiting skills atrophy.

Special Objective Alignment with Colombian Government Priorities

The CDCS’ strategic approach to Venezuelan migration is aligned with Colombian government priorities. Currently, the Colombian Government has two main documents guiding the government’s policy towards stabilizing the migration situation: (1) the Strategy to Attend Venezuelan Migration, defined by the National Council on Social and Political Economy (CONPES) and (2) the Strategy for Income Generation for Venezuelan Migrants and Host Communities, defined by the President’s Office of Border Management. CONPES defines the strategic intervention areas related to the migration crisis as health, labor, education, children and youth, and housing and water. These strategic areas are strongly aligned with the CDCS’ IRs 4.1 and 4.2. The President’s Border Management Office defines two main routes to integrating Venezuelan migrants into Colombia’s labor market: (1) labor formalization; and (2) entrepreneurialism. Both routes are aligned with the CDCS’ IR 4.2. Both the government’s and USAID/Colombia’s strategies recognize Venezuelan migration to Colombia as a serious challenge but also an opportunity to create social and economic benefits.

Special Objective Contributions from Other Donors

USAID/Colombia is the first development donor to target migrant receptor communities and support the medium-to-long-term integration of Venezuelan migrants. The Mission also provides the most resources for these efforts. Over the next few years, however, other development donors are expected to increasingly occupy this development space. The IADB, for example, makes migration a crosscutting priority in their new country strategy and the EU has committed 30 million Euros to the socioeconomic integration of Venezuelan migrants. To assure alignment in this area, USAID participates in regular coordination meetings on Venezuelan migrant support with potential donor governments - such as Norway, Sweden, Canada, Germany, the UK, and Switzerland - and other multilateral actors - such as the UN, EU, IADB, and the World Bank including the International Finance Corporation.
### Special Objective Critical Assumptions and Risks

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Migration will continue into areas with criminal groups.</td>
<td>• Xenophobia toward Venezuelans in receptor communities will grow more rapidly than expected.</td>
</tr>
<tr>
<td>• New migrant arrivals will have lower levels of education than first generation arrivals.</td>
<td>• Colombia’s economy will experience a downturn, affecting the private sector and financial sector’s willingness to integrate Venezuelans into local labor markets.</td>
</tr>
<tr>
<td>• The security situation in receptor communities will allow for activity implementation.</td>
<td></td>
</tr>
<tr>
<td>• COVID-19 will further stress Colombia’s public health system.</td>
<td></td>
</tr>
</tbody>
</table>
4. Monitoring, Evaluation, and Learning

The Mission has developed a strategic approach to Monitoring, Evaluation, and Learning (MEL). This approach includes tracking, assessing, and evaluating progress toward the results framework’s hypotheses and the CDCS’ objectives and intermediate results. This strategic approach to MEL creates accountability and fulfills reporting requirements to help the Mission plan effectively, manage adaptively, and learn systematically. This MEL strategy is in accordance with the Program Cycle Operational Policy outlined in Automated Directives System (ADS) Chapter 201 and has several important components, including strategic progress monitoring, a “basket of targets,” evidence-based learning and adapting, and a MEL implementation team. Each of these components is discussed in the subsequent paragraphs.

The Mission will monitor the CDCS’ strategic progress. The Performance Management Plan (PMP) is the Mission’s primary tool for monitoring strategic progress, evaluating impact and performance, and learning and adapting. The PMP contains performance indicators to measure the CDCS’ progress and context indicators to track the context in which the CDCS is being implemented. Performance indicators include both output and outcome indicators. Context indicators measure external conditions that indirectly affect the CDCS goals and activity implementation. These indicators allow the Mission to monitor the CDCS’ contextual risks and assumptions. The Mission will use a collaborative and iterative process, including consultations with beneficiaries and stakeholders, to track context and performance indicators. The Mission will use complexity-aware or qualitative-based methods to assess results in situations with dynamic contexts that are difficult to predict and have unclear cause-and-effect relationships. The Mission will track these indicators using Colombia Monitor, the Mission’s current data tracking tool, and eventually in Development Information Solution (DIS), the mandated Agency-wide data tracking tool.

The Mission will develop a new “basket of targets” to track results toward a limited number of high-level targets and guide activities toward specific outcomes. The basket will measure a specific set of context and performance indicators against baseline indicators to assess the Mission’s progress on its main strategic goals. To monitor these indicators, the Mission will use a mix of traditional and innovative data analysis and visualization techniques such as maps, dashboards, and other Geographic Information System (GIS) products. The basket of targets will orient implementers and activity managers toward a strategic set of target results. The Mission’s PMP will define the basket of targets and the specific indicators that feed into it. The targets will reflect the CDCS’ Results Framework and strategic approaches.
The Mission’s learning plan will follow the Agency’s Collaborating, Learning and Adapting (CLA) approach to adapt programming and inform new activities. The Mission’s CLA practices and processes will include: mid-course stocktakings, stakeholder consultations, portfolio review learning, new assessments and evaluations, monitoring by each technical office, and joint site visits with government and private-sector partners. COVID-19, which emerged as this CDCS was being finalized, could impact the Mission’s future programming and, therefore, will be a focus of the Mission’s mid-course stocktakings and rapid assessments. In compliance with USAID’s Evaluation Policy, the Mission will analyze its current work and decide where to focus evaluation efforts. The evaluation plan will be guided by learning questions, strategic priorities, and ADS requirements. The Mission’s evaluations will assess pertinent topics and generate evidence on the Mission’s impact and performance. The Mission will use the findings from this research and other CLA practices to adapt interventions, improve oversight, overcome implementation barriers, and generally improve programming and program management. The findings from these efforts will be presented in well-organized reports, one-page summaries, and complementary infographics. Post-evaluation action plans will operationalize this learning. Moreover, the Mission is developing a new mechanism in its Project Design Mission Order that will require teams to utilize learning products when designing new activities and presenting activity performance in Mission-wide portfolio reviews. This learning plan will adjust the CDCS to Colombia’s evolving development context and the U.S. Government’s strategic priorities. It will be described in detail in the Mission’s PMP.

The Mission’s MEL Working Group and a broader Community of Practice will implement the Mission’s MEL efforts. The Mission’s MEL Working Group consists of the Mission’s MEL specialists. The Mission also has an external MEL support contract, or the “MEL Activity,” that provides MEL-related technical and advisory services at the Mission’s request. The Mission and the MEL Activity will coordinate MEL actions with stakeholders, sectoral working groups, implementing partners, and local and national government agencies. The Mission’s PMP will describe these tools and processes in detail. The Mission’s MEL Community of Practice consists of the MEL Working Group and external Monitoring and Evaluation Specialists from each of the Mission’s activities. It will meet periodically to adaptively manage the Mission’s progress according to new learning and emerging needs and be used as a forum to coordinate work among internal and external MEL Specialists. To the extent possible, the Mission will align MEL efforts with those of the Colombian Government, private sector counterparts, and other development agencies.
Annexes

A. Bibliography

B. Journey to Self-Reliance Country Roadmap
A. BIBLIOGRAPHY


B. JOURNEY TO SELF-RELIANCE
COUNTRY ROADMAP
COLOMBIA
JOURNEY TO SELF-RELIANCE:
FY 2020 COUNTRY ROADMAP

LOW- AND MIDDLE-INCOME COUNTRY SNAPSHOT

LEGEND

Commitment 0-1 Score
Colombia's Score 0-1, least to most advanced globally
Other Low- and Middle-Income Countries' Scores
Average Score for Low- and Middle-Income Countries

OPEN AND ACCOUNTABLE GOVERNANCE

Liberal Democracy
Open Government

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

INCLUSIVE DEVELOPMENT

Social Group Equality
Economic Gender Gap

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

ECONOMIC POLICY

Business Environment
Trade Freedom
Biodiversity & Habitat Protections

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

GOVERNMENT CAPACITY

Government Effectiveness
Tax System Effectiveness
Safety & Security

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

CIVIL SOCIETY CAPACITY

Civil Society & Media Effectiveness

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

CITIZEN CAPACITY

Poverty Rate ($5/Day)
Education Quality
Child Health

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

CAPACITY OF THE ECONOMY

GDP Per Capita (PPP)
Information & Communication Technology (ICT) Adoption
Export Sophistication

0-1 Score
0.0 0.1 0.2 0.3 0.4 0.5 0.6 0.7 0.8 0.9 1.0

RISK OF EXTERNAL DEBT DISTRESS

Recent IMF Risk of External Debt Distress rating not available for this country. See the USAID Self-Reliance Metrics Methodology Guide for more information.
### SELF-RELIANCE ROADMAPS

#### INDICATOR DEFINITIONS AND SOURCES

All source data are for the latest year available, typically 2018 or 2017, and are derived from third-party institutions. All indicators are weighted equally in the calculation of the overall Commitment and Capacity scores. Names and boundary representation in the map are not necessarily authoritative.

For more information on definitions and sources, please visit selfreliance.usaid.gov.

---

#### COMMITMENT

**Open and Accountable Governance**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal Democracy</td>
<td>Measures freedom of expression, freedom of association, suffrage, elections, rule of law, judicial constraints on the executive branch, and legislative constraints on the executive branch.</td>
<td>Varieties of Democracy (V-Dem).</td>
</tr>
<tr>
<td>Open Government</td>
<td>Measures the degree to which a government shares information, empowers people with tools to hold the government accountable, and fosters citizen participation in public policy deliberations. Sub-factors include: published laws and government data, right to information, civic participation, and complaint mechanisms.</td>
<td>World Justice Project, Rule of Law Index.</td>
</tr>
</tbody>
</table>

**Inclusive Development**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Group Equality</td>
<td>Measures political equality with respect to civil liberties protections across social groups as defined by ethnicity, religion, caste, race, language, and region.</td>
<td>Varieties of Democracy (V-Dem).</td>
</tr>
<tr>
<td>Economic Gender Gap</td>
<td>Index comprising five components: (1) wage equality between women and men for similar work; (2) the ratio of female estimated earned income to male income; (3) the ratio of female labor force participation to male participation; (4) the ratio of female legislators, senior officials, and managers to male counterparts; and (5) the ratio of female professional and technical workers to male counterparts.</td>
<td>World Economic Forum, Global Gender Gap Report, Economic Participation and Opportunity Sub-Index.</td>
</tr>
</tbody>
</table>

**Economic Policy**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Environment</td>
<td>Assesses a country’s entrepreneurial climate by measuring business’ access to infrastructure (such as the internet and transport, and to credit), business flexibility (the costs of starting business and of hiring and firing), clear and fair regulations (e.g., intellectual property rights), and perceptions of meritocracy and opportunity.</td>
<td>Legatum Institute, Prosperity Index.</td>
</tr>
<tr>
<td>Trade Freedom</td>
<td>Measures a country’s openness to international trade based on average tariff rates and non-tariff barriers to trade.</td>
<td>Heritage Foundation, Index of Economic Freedom.</td>
</tr>
<tr>
<td>Biodiversity &amp; Habitat Protection</td>
<td>Measures extent of marine protected areas, terrestrial biome protection (weighted for both national and global scarcity), representativeness of protected areas, and whether protected areas cover the ranges and habitats of critical species.</td>
<td>Yale University/Columbia University Center for International Earth Science Information Network (CIESIN).</td>
</tr>
</tbody>
</table>

---

#### CAPACITY

**Government Capacity**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Effectiveness</td>
<td>Measures the quality of public services, the quality of the civil service and its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its stated policies.</td>
<td>World Bank, Worldwide Governance Indicators.</td>
</tr>
<tr>
<td>Tax System Effectiveness</td>
<td>Ratio between a country's actual tax collection and the estimated level of tax revenue that a country could achieve given its macroeconomic, demographic, and institutional features.</td>
<td>USAID, Collecting Taxes Database, Tax Effort Indicator.</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>A combination of objective measures of security, and subjective measures of personal safety, personal freedom, and social tolerance.</td>
<td>Legatum Institute, Prosperity Index.</td>
</tr>
</tbody>
</table>

**Civil Society Capacity**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Society &amp; Media Effectiveness</td>
<td>Measures the range of actions and mechanisms that citizens, civil society organizations, and an independent media can use to hold a government accountable. The mechanisms include using informal tools such as social mobilization and investigative journalism.</td>
<td>Varieties of Democracy (V-Dem).</td>
</tr>
</tbody>
</table>

**Citizen Capacity**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty Rate ($5/Day)</td>
<td>Measures the percent of the population living under $5/day in purchasing power parity (PPP) terms.</td>
<td>World Bank, PovCalNet.</td>
</tr>
<tr>
<td>Education Quality</td>
<td>Gauges both the quality of education—using harmonized scores across major international student achievement testing—and the quantity of schooling received—using age-specific enrollment rates—to evaluate the relative performance of educational systems worldwide.</td>
<td>World Bank, Human Capital Index, Learning-Adjusted Years of Schooling Indicator.</td>
</tr>
<tr>
<td>Child Health</td>
<td>A composite measure that aggregates child mortality, access to at least basic water sources, and access to at least basic sanitation facilities.</td>
<td>Columbia University Center for International Earth Science Information Network (CIESIN).</td>
</tr>
</tbody>
</table>

**Capacity of the Economy**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Per Capita (PPP)</td>
<td>Measures the flow of resources available to households, firms, and government to finance development as the country’s total Gross Domestic Product (PPP) divided by the country’s population.</td>
<td>World Bank, World Development Indicators.</td>
</tr>
<tr>
<td>Information &amp; Communication Technology (ICT) Adoption</td>
<td>Index comprising: (1) mobile-cellular telephone subscriptions; (2) mobile-broadband subscriptions; (3) fixed-broadband internet subscriptions; (4) fiber internet subscriptions; and (5) internet users.</td>
<td>World Economic Forum (WEF), Global Competitiveness Index.</td>
</tr>
<tr>
<td>Export Sophistication</td>
<td>Measures the diversity and ubiquity of a country’s exported goods, key markers that can help gauge economic sophistication and resilience.</td>
<td>Center for International Development at Harvard University, Economic Complexity Index.</td>
</tr>
</tbody>
</table>

---

#### Risk of External Debt Distress

Ratings a country’s risk of public sector debt distress on a four-tier scale: “low risk”, “moderate risk”, “high risk”, and “in debt distress”. Ratings are based on countries’ debt and market structures, fiscal and macroeconomic outlook, and institutional capacity to manage debt burden. Ratings help guide the borrowing decisions of lower-income countries to meet development needs while reducing the chances of excessive debt build-up. Ratings are shown for 54 lower-income countries for which the IMF prepares risk ratings and are not scored components of Commitment or Capacity. Source: International Monetary Fund, Debt Sustainability Analysis for Low-Income Countries.