

STRENGTHENING THE  
ECONOMIC DIMENSIONS  
OF PEACEBUILDING  
CASE STUDY SERIES

The challenges of supporting  
'alternative' economic opportunities  
for peacebuilding –  
Perspectives from Colombia

William Godnick and Diana Klein

### **About International Alert**

International Alert is an independent peacebuilding organisation that has worked for over 20 years to lay the foundations for lasting peace and security in communities affected by violent conflict. Our multifaceted approach focuses both in and across various regions; aiming to shape policies and practices that affect peacebuilding; and helping build skills and capacity through training.

Our field work is based in Africa, South Asia, the South Caucasus, Latin America, Lebanon and the Philippines. Our thematic projects work at local, regional and international levels, focusing on cross-cutting issues critical to building sustainable peace. These include business and economy, gender, governance, aid, security and justice. We are one of the world's leading peacebuilding NGOs with more than 120 staff based in London and our 11 field offices.

For more information, please visit [www.international-alert.org](http://www.international-alert.org)

# The challenges of supporting "alternative" economic opportunities for peacebuilding – Perspectives from Colombia

William Godnick and Diana Klein

March 2009

## Strengthening the economic dimensions of peacebuilding – about the project

This series of four country case studies explores the ways in which the economic causes, drivers and impacts of conflict have been tackled in different ways in different conflict-affected countries where Alert works. The aim is to encourage cross-country learning, and inform what has become a vibrant international debate in the last few years on how to adapt economic development interventions to conflict contexts, in a way that makes them conflict-sensitive, and able to support longer-term peacebuilding.

It is not possible of course to discuss the wide range of economic needs and interventions present in each country context comprehensively; each case study therefore focuses on a particular aspect of economic recovery, and presents a particular angle on the question:

- **Uganda:** the case study illustrates the challenge of planning for “early recovery” in the context of an ongoing and fragile peace process, and identifies opportunities for enabling a peace economy through early recovery;
- **Nepal:** this report explores possible roles for the business community in supporting economic recovery after war, and illustrates the need to link capital-centric peace processes and economic development planning with district-level perspectives and needs;
- **Sri Lanka:** this study looks at some of the conceptual links made between youth, unemployment and conflict, and identifies several gaps in practice; and
- **Colombia:** this case study explores lessons learnt on “alternative livelihood” programming in situations of ongoing violence, and identifies entry-points for conflict-sensitivity.

In addition to the country case studies, the project will be producing a series of thematic briefing papers, as well as training resources, in the course of 2009. For more information, please visit [www.international-alert.org/peace\\_and\\_economy](http://www.international-alert.org/peace_and_economy).

The objectives of the project are three-fold:

- To identify lessons in order to generate evidence-based resources and guidance for policymakers and practitioners to improve the conflict-sensitivity and peacebuilding impacts of economic interventions
- To promote uptake of such good practice
- To put the links between economic recovery and peacebuilding on the agenda of relevant in-country and international actors through advocacy, outreach and networking

The project forms part of International Alert’s wider work, ongoing since 1999, on improving business conduct and promoting a peacebuilding approach to economic activities and interventions in conflict-prone and conflict-affected countries. Our firm belief is that just and lasting peace requires broadly shared economic opportunities, including decent work, to redress economic issues and grievances that fuelled violent conflict in the first place, and to address the economic impacts of conflict on the livelihoods and lives of conflict-affected populations.

Indeed strengthening the private sector and market-based economies has become a key concern for development assistance in recent years, including in countries affected by conflict. But while the links between peacebuilding and the economy may be obvious, it is less clear how a peacebuilding approach to such economic interventions can be achieved in practice, and how they can be made conflict-sensitive. Understanding the ways in which these interventions can interact with pre-existing conflict dynamics is crucial given that the allocation of resources and economic opportunities feature prominently as root causes in many conflicts; therefore any external intervention targeting the economic sphere is bound to interact with core conflict issues and the economic legacies left by violent conflict. This will be to the detriment of the local conflict context, and programmes, alike.

## Acknowledgements

This case study on Colombia drew intensively on an ongoing collaborative effort between International Alert and the Bogota-based Instituto de Estudios para el Desarrollo y la Paz (Indepaz) to research and consult a wide array of international and local actors on the role of international cooperation in peacebuilding and economic development. For this, a great deal of thanks are extended to Yamile Salinas, Camilo Gonzalez and Marcela Lopez from Indepaz, and Alexandra Guaqueta and Angela Rivas from the Fundación Ideas para la Paz for shared knowledge that was important for understanding the role of the private sector in DDR. Jorge Restrepo from the Conflict Analysis Resource Centre (CERAC) and his staff were also very helpful in providing insights on the impact conflict has on production value chains. Additional thanks go to Dean Mario Forero and Professors Tathiana Montaña and Jorge Uribe from the Faculty of International Relations from Jorge Tadeo Lozano University in Bogotá for providing the space needed to hold various consultations.

Very specific thanks go to International Alert's Canan Gündüz for her commenting on and harmonising this paper with the other country case studies in this series as well as Chandani Thapa for her excellent copy edit.

The project “Strengthening the Economic Dimensions of Peacebuilding” is co-funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the Norwegian Ministry of Foreign Affairs, and the United States Institute for Peace. We would like to thank them for their financial and leadership support to this work.

## Contents

Acronyms	5
Executive summary and key lessons	6
1. Introduction	9
2. Colombia’s armed conflict	10
2.1. Historical roots of the current conflict	10
2.2. Evolution of armed groups and paramilitaries	10
2.3. Costs of the conflict	11
2.4. Government responses to the conflict	12
2.5. Current status of the conflict	12
3. Colombia’s economy today	13
4. Understanding international cooperation in Colombia	15
4.1. Institutional and policy frameworks for international cooperation	15
4.2. Development of an international cooperation strategy	16
4.3. Contesting strategies	16
5. “Alternative development” for illicit crop eradication: Security and conflict challenges	17
5.1. Security challenges to sustainability	18
5.2. Productive Project Programmes	19
5.3. Forest Ranger Families Programme	19
6. “Alternative” alternative development programmes	20
6.1. Peace and Development Programmes (PDPs)	20
6.2. Peace Laboratories	22
7. Economic opportunities for reintegrating ex-combatants: Challenges of “scaling up”	24
8. Conclusions and lessons	27
Annex 1: Tables cited in text	29
Endnotes	37
References	39

## Acronyms

AD	Alternative Development
AUC	United Self Defence Forces of Colombia
CERAC	Conflict Analysis Resource Centre
DCIC	Departmental Committees for International Cooperation
DDR	Disarmament, Demobilisation and Reintegration
ELN	National Liberation Army
EU	European Union
FARC	Revolutionary Armed Forces of Colombia
FFRP	Family Forest Ranger Programme
GoC	Government of Colombia
IADB	Inter American Development Bank
INCUAGRO	Incubator of Agricultural Production and Commercialization
Indepaz	Instituto de Estudios para el Desarrollo y la Paz
MoFA	Ministry of Foreign Affairs
NSIC	National System for International Cooperation
PDP	Peace and Development Programme
PDPMM	PDP of Magdalena Medio
PPP	Public-Private Partnerships
UNDP	United Nations Development Programme
UNHCR	UN High Commission for Refugees
UNICEF	UN Children's Fund
UNODC	UN Office on Drugs and Crime
UNOHCHR	UN Office of the High Commissioner for Human Rights
USAID	United States Agency for International Development
WFP	World Food Programme

## Executive summary, key lessons and recommendations

Maintaining and strengthening the livelihoods of conflict-affected populations during and after violent conflict is high on the agenda of governments and development agencies the world over. Much has been tried and learned in Colombia over the last decade in this regard, including building and maintaining multi-stakeholder partnerships between the private, public, and civil society sectors to address challenges. This case study seeks to present some of the experiences of the Colombian government and the international community's efforts to generate economic opportunities for conflict-affected populations in Colombia, and reflect on lessons for policy and practice elsewhere.

The report presents the international cooperation frameworks for economic development and peacebuilding that have been developed for and with the Government of Colombia (GoC) in recent years. In particular, it documents traditional "alternative development" programmes that have been put in place to reduce the attractiveness of illicit crop cultivation for economically vulnerable populations. The report compares and contrasts these programmes with several alternative approaches, initiated by local actors from conflict-affected regions themselves, and later scaled-up with external funding. These programmes differ from other alternative development programmes in four ways:

First, they are "multi-dimensional" in that they incorporate social, cultural and environmental factors in addition to economic ones. Second, they seek to respond to bottom-up proposals that emerge from citizens from conflict-affected regions of the country. Third, they strive to move beyond "economic charity" to promote long-term solutions to economic development and household income generation. Fourth, they integrate concepts of human rights, citizen participation and sustainable development.

Against this wider backdrop, the report then presents lessons from the way one particularly urgent issue has been tackled in the Colombian context, namely, the provision of employment and income-generation opportunities for demobilised ex-combatants.

### KEY LESSONS

- **Narrow focus of international cooperation:** Focusing international cooperation closely on poverty reduction and the achievement of the Millennium Development Goals, as important as they may be, fails to address the reality and social dynamics of middle-income countries experiencing protracted armed conflict and a myriad of other more localised social and political conflicts.
- **Policy inconsistency:** Linking military security and the war on drugs to peacebuilding and non-violence lacks coherence, and seriously risks undermining the latter. Such strategies often require vulnerable populations to "side with" the government even when the government is not able to guarantee security from resulting attacks from illegal armed groups. The persistent presence of armed actors in many of these areas also enables rent-seeking from projects meant to benefit poor and displaced people.



- **Analysis and categorisation of conflict situations:** While it is clear that some aspects of the Colombian context call for “post-conflict” peacebuilding approaches, such as the demobilisation and reintegration of some groups of former combatants, there are clearly parts of the country where armed conflict continues. Conflating different stages of conflict and resulting peacebuilding needs under such blanket headings (whether for political or other reasons) leads to flawed responses, for example in the case of international assistance to the displaced, where displacement is still ongoing.

- **Impact assessment:** Evaluation of initiatives such as those described in this paper is entirely underdeveloped. While projects such as the Peace and Development Programmes, Peace Labs and others appear to provide different options to standard alternative development and “post-conflict” programming, there is no evidence of the depth, breadth, and sustainability of their impact, despite positive evidence sometimes observed at the level of individuals and households. As a result, important lessons these initiatives may hold for interventions elsewhere cannot be harvested systematically.

- **Public-Private Partnerships:** Countries such as Colombia with a dynamic and well-developed national and multinational private sector provide a richness of opportunities for Public-Private Partnerships (PPP) that may not be available in every conflict context. Despite the fact that the Colombian private sector has probably done more than any other national private sector in recent history to contribute to the economic reintegration of ex-combatants and generation of income-earning opportunities for the displaced and vulnerable populations, it is still far too little for the magnitude of the problem and the risks of not getting it right in the very near future. Still, Colombia provides some innovative examples of PPP that should inform the ongoing international discourse and debate on the role of PPP in conflict, and especially post-conflict, contexts.

It is also clear that such multi-stakeholder partnerships for economic development are difficult, require the building of trust, and need a lot of guidance and accompaniment by parties accepted as impartial by all sides. The peacebuilding sector’s experience and expertise of accompanying dialogue processes may be helpful in this regard.

- **Factoring in conflict risks of agricultural development:** A combination of agro-export and subsistence agriculture continue to be the primary modes of promoting economic development in many post-conflict and developing country contexts. Especially in countries like Colombia, where control and ownership of land has been a key driver of conflict, increasing attention needs to be paid to make sure agro-export models do not reinforce long-term conflict dynamics, nor put food security at risk. The growing promotion of cash crop bio-fuels such as ethanol from sugar cane and bio-diesel from African palm increasingly complicates these dynamics.

- **Promoting conflict-sensitive alternative livelihoods:** Persisting war and criminal economies make alternative development projects difficult to sustain, and pose serious security risks for those participating. There is increasing anecdotal evidence that illicit crop cultivation in Colombia is not always more profitable for rural farmers than other agricultural products, since the majority of profits are produced higher up the value chain. However, the failure to resolve armed violence and the persistent threat of violence against rural populations combined with deficient transportation infrastructure to markets discourages many individuals from trying. Conflict-sensitive approaches are required to ensure that the security of beneficiaries and participants is a top priority in development, and is not sacrificed for broader, national or geostrategic security interests. Evidence shows that one of the more sustainable strategies is to:

- **Link economic opportunities into existing and strong product value chains:** “Economic charity” in conflict situations is not only non-sustainable, it can also increase vulnerability to socio-economic and conflict risks. In situations where expectations for a peace dividend are high among the population, failed interventions may have further negative, conflict-feeding impacts, as they may demonstrate to beneficiaries that illicit economic activity is, after all, the more reliable source of income. Value chain analysis and approaches can serve to formulate combined economic development and peacebuilding interventions. They can help not only to identify the unique problems of different actors involved in the chain, but also to propose specific solutions that foster better outcomes for small growers and meaningful improvements in their socio-economic conditions.

- **Revising approaches to the economic reintegration of ex-combatants:** Colombia confirms les-

learned elsewhere in regards to the limits of agricultural and small business self-employment for ex-combatants. While governments and the international community need to be careful not to privilege ex-combatants over others in society when it comes to economic opportunities, a broader framework for income generation needs to be developed that includes medium and large national and multinational enterprises as well as the public sector.

# 1. Introduction

Maintaining and strengthening the livelihoods of conflict-affected populations during and after conflict is high on the agenda of governments and development agencies the world. Especially where people's lives and livelihoods have become wound up with the wider war and criminalised economies frequently accompanying violent conflict, it is a huge challenge to provide assistance that can effectively help people move out of informal and sometimes illicit economies to find socio-economic security in the formal sphere. At the same time, socio-economic opportunities in the formal economy are a key ingredient to helping former combatants transition into a civilian life. Time and again though, too little thinking, planning and resources go into this aspect of official Disarmament, Demobilisation and Reintegration (DDR) efforts.

The challenge for both the reintegration of ex-combatants and alternative livelihoods for conflict-affected populations is sustainability in the long term. Development agencies' and governments' exit strategies, therefore, often rely on bringing the domestic and international private sector on board to support both, in ways that both address these urgent social and conflict priorities, and represent a viable business proposition for the private sector.

## Purpose of this report

Much has been tried and learned in Colombia over the last decade on both alternative livelihood promotion and the socio-economic reintegration of ex-combatants (as well as many other areas of economic support to conflict-affected populations, such as displaced people, which are not covered here), as well as building and maintaining multi-stakeholder partnerships between the private, public, and civil-society sectors to address them. This case study seeks to present some of the experiences of the Colombian government and the international community's efforts to generate economic opportunities among conflict-affected populations in Colombia, and draw lessons for policy and practice elsewhere. It builds upon the work of International Alert and its Colombian partners in better understanding and supporting the role of the domestic private sector in peacebuilding in Colombia. While of course each context remains unique, and requires distinct analysis and responses, we have found that cross-country learning and reflection are an effective means for improving the peacebuilding practice of a variety of actors.

## Method and limitations

The paper is primarily targeted towards an external non-Colombian audience and should be read as an examination of several compelling aspects of the Colombian case rather than an evaluation of any specific initiative. In this sense, it seeks to be reflective and not definitive.

The paper itself has been produced by a combination of field visits to several economic development projects in different regions of Colombia, two roundtables held in Bogotá in September 2007 and January 2008, interviews with key members of the international community in Colombia and a detailed secondary literature review.

Given the range of peace-oriented development projects supported in Colombia over both time and space, there is a notable lack of publicly available impact evaluation and lessons learned documents from which to draw lessons and build upon. Much of the documentation available is related to proposals, informational bulletins, planning documents and institutional positioning pieces rather than reports analysing the costs, benefits and effectiveness of specific projects and programmes. In a country that is heavily polarised along ideological and political grounds, it also difficult to get unbiased assessments of these same projects and programmes.

As a result, the report presents a snapshot of specific economic interventions taking place in a politically and economically complex environment with a large, diverse, market economy influenced by the illegal narcotics trade. Unlike many, perhaps most, other conflict-affected

countries, the Colombian state is relatively strong, institutionally as well as financially, and even makes significant co-investments in projects supported by the international community.

## Structure of the report

Section 2 provides a brief introduction to armed conflict in Colombia for those not familiar with its history and dynamics. The complex, dynamic and contradictory nature of the Colombian economy today is described in Section 3.

Section 4 gives an overview of the international cooperation frameworks for economic development and peacebuilding that have been developed for and with the Government of Colombia (GoC) in recent years, and traces their evolution under the administration of President Alvaro Uribe.

Against this policy backdrop, Section 5 documents traditional “alternative development” programmes that have been put in place to reduce the attractiveness of illicit crop cultivation for economically vulnerable populations, focusing in particular on the economic development aspects of the US government assistance package called Plan Colombia. Section 6 then examines some alternatives to these “alternative development” programmes, initiated by local actors from conflict-affected regions in Colombia and later scaled-up through investments by the World Bank and European Union. Section 7 looks at a particularly urgent issue in the Colombian context, namely, providing employment and income-generation opportunities for demobilised ex-combatants.

The concluding section draws out a series of lessons that seek to deepen the understanding of the international community focused on the economic dimensions of peacebuilding by highlighting some of the innovations created, but also challenges faced, in the Colombian case.

## 2. Colombia’s armed conflict<sup>1</sup>

### 2.1. Historical roots of the current conflict

Some of the historical roots of Colombia’s current armed conflict can be traced back to the period referred to as La Violencia, a power struggle in the 1940s and 1950s between sympathisers of the Liberal and Conservative parties, the two traditionally predominant political forces in Colombian politics. By the late 1950s, members of the elite forged an agreement known as the National Front, which allowed the two parties to take turns in the presidency for four consecutive terms. However, the less privileged rural political base of the Liberal Party perceived the arrangement as overly exclusive, while others resented the fact that socialist political and economic platforms were completely marginalised.

Authoritarian government practices also raised discontent among the population, adding to socio-economic grievances related to unequal development, land distribution and the widening income gap between rich and poor. Against this backdrop, and unfolding Cold War dynamics, various leftist insurgent movements appeared in the 1960s and 1970s, with the goal of instating socialism to redress political, social and economic inequalities. Among them were the Fuerzas Armadas Revolucionarias de Colombia (FARC) and the Ejército de Liberación Nacional (ELN), the two main leftist insurgent groups still active today.

### 2.2. Evolution of armed groups and paramilitaries

Unlike other Cold War proxy conflicts, neither the US nor the Soviet Union provided significant

funding or weapons for Colombia. The insurgent groups were small, survived on petty theft and extortion, recruited from poor rural areas and, in some cases, acted as local authorities in localities with little state presence. These groups later expanded their financial and military prowess through kidnapping, cattle theft and extortion of large landowners. Around the same time, clandestine right-wing paramilitary groups emerged as independent counter-insurgency forces in different parts of the country, supported by cattle ranchers, emerald traders, agro-industrial entrepreneurs, military officers and landowners frustrated by the lack of physical protection from the GoC. Since then, important segments of the private sector, armed forces and Colombian congress have been closely associated with the paramilitary forces<sup>2</sup>.

Parallel to the growth in armed activity, in the 1980s the illegal narcotics industry began to play an important role in the escalation of conflict. FARC strategically decided to tax the cultivation of coca and poppy and the production of cocaine and heroin. Some paramilitary groups were also tied to drug traffickers in the use of their private armies to protect businesses and properties from extortion. The demand for narcotics on the global market and lawlessness in remote areas, combined with the armed groups' decision to finance their activities through this trade led to an exponential rise in illicit narcotics production, and significantly contributed to the military strength of the leading armed groups.

FARC, ELN and the paramilitaries expanded their influence throughout the 1990s. The methods through which they sought to gain control over local populations, authorities and politicians became increasingly gruesome. Groups routinely resorted to murders, massacres, terrorist attacks and displacement. In the mid-1990s, the FARC began to display its power through a series of attacks against police and military installations, prompting previously scattered right-wing paramilitary groups to unite under one umbrella organisation, the Autodefensas Unidas de Colombia (AUC).

### 2.3. Costs of the conflict

These developments further exacerbated the already severe toll of the conflict, with increasing internal displacement, massacres and attacks on civilian populations. They also contributed to the first period of negative economic growth in more than 30 years, with unemployment hitting 20 percent and making illegal economic activities seem more attractive to idle members of the population. The GoC estimates that violence and conflict cost Colombia's economy approximately US\$ 6 billion between 2000–2005<sup>3</sup>. Disaggregated costs at the micro-level, for individual economic actors, are more difficult to estimate, but are most definitely grave (see also Box 1).

#### 1 Cost of Conflict to the Private Sector in Colombia

In 2006, the University of the Andes in Bogotá implemented a survey of more than 1,000 businesses in six Colombian cities to find out more about the experience and perceptions of the business sector regarding the costs of armed conflict on their operations. This was the first study looking at such micro-level costs in Colombia, and some of its key findings are summarised below:

- The majority of businesses identified indirect costs, relating for instance to loss of business opportunities, rather than direct impacts on their operations. These indirect costs are difficult to quantify and attribute.
- Only 3.6 percent of businesses reported direct attacks on their employees or company.
- Three-quarters of those interviewed stated that they would invest in expanding productive capacity, innovation and generating employment if Colombia were at greater peace.

- Larger companies were more likely to report costs associated with armed conflict than were smaller ones, though they also reported higher growth. Smaller companies more frequently reported extortion payments, as well as suffering more frequently from business shut-downs, both temporary and permanent.
- Mining, gas, electricity, agriculture and transportation companies most frequently reported direct costs related to armed conflict, while financial services and investors reported the least.
- The highest direct costs to the private sector were reported in Pasto and Cali, cities in the country's conflict-affected south-western region, while the capital Bogotá appeared to be a relatively peaceful oasis for economic activity.

Source: Rettberg, A. (2008). *Exploring the peace dividend: Perceptions of the impact of armed conflict on the Colombian private sector*. London and Bogotá: International Alert and Universidad de los Andes.

Today, Colombia's internal displacement crisis stands as the world's worst after Sudan, with almost 4 million displaced persons since 1985. In 2007, the number of newly displaced people has risen sharply to more than 300,000, breaking an average of around 200,000 in previous years. UNHCR estimates that some 500,000 Colombians have sought refuge in neighbouring countries. Colombia also reports the largest number of new landmine victims annually in the world<sup>4</sup>.

## 2.4. Government responses to the conflict

Successive governments have combined negotiations with military and judicial actions against the armed groups as well as investment in social programmes in a bid to end the conflict. Where the balance of these measures should lie has been an ongoing national debate, if not controversy. In 1998, the administration of Conservative president Andres Pastrana launched a round of talks with FARC, including the participation of key business leaders and the international community for both political and economic support. The United Nations and European Union responded by increasing economic and humanitarian assistance, while the US stepped in with Plan Colombia, a large anti-narcotics and anti-terrorist assistance package with a heavy military component. These negotiations known as El Caguán took place in a demilitarised zone created for the purpose of conducting the peace talks. However, the FARC ended up using the territory for training and regrouping its fighters, resulting in a general disillusionment with the process and political solutions to the conflict in general. The failure of this process contributed to the election of the current government of President Alvaro Uribe, which declared an all-out war on the FARC and ELN, with US government assistance. This government has also initiated a process of negotiations with the AUC, which led to their demobilisation beginning in 2003. This DDR process continues today.

## 2.5. Current status of the conflict

Currently, the FARC continues to maintain and pursue control over some Colombian regions and still holds hundreds of hostages. Ideological affinity with left-wing leaders in neighbouring countries has also breathed some political life into their ranks. The ELN is nearly vanquished in military terms and is exploring with the GoC the possibility of demobilisation, though with very little tangible progress to date. Both left-wing insurgencies have lost much of their political base of support in recent years.

Since 2002, more than 9,200 guerilla combatants have left their groups to join the Ministry of

Interior's DDR programme. In addition, some 23,300 paramilitaries collectively demobilised in 2005–2006. Colombia has prior experience with reintegrating former combatants – approximately 5,000 during the 1990s – but the government is now facing serious challenges. In total, some 46,000 ex-combatants from all groups have demobilised since 2003.

Demobilising the paramilitaries has been a difficult and frustrating process. Many of them engaged in particularly horrific massacres against rural populations and were closely linked to the drugs trade. Therefore, some Colombians regard the terms under which they were allowed to demobilise, inscribed in the 2005 Justice and Peace Law, as too lenient. This, combined with ongoing investigations into the current administration's congressional base for receiving support from the paramilitaries in elections, has raised additional concerns about the lack of attention paid to victims of violence, intimidation and displacement. Despite some positive security gains in the wake of the paramilitary demobilisation, their influence has not disappeared, as many never demobilised and others have returned to mutate into mafia-style groups such as the infamous *Aguilas Negras*<sup>5</sup>.

Overall, the Uribe government's policies are perceived to have increased security in key regions and cities (See Table 1 in Annex 1). Some analysts give partial credit to the Uribe government's Democratic Security Policy for establishing a state security presence on key roads, cities and in some rural areas and reducing violence through paramilitary demobilisation<sup>6</sup>. However, others feel that the paramilitaries no longer "needed" to commit large-scale violence and massacres at that point, as they had in fact gained the upper hand in so many parts of the country by then. Meanwhile, some of the country's mayors had also implemented public security programmes that were seen to be more preventive in nature and also included dealing with the root causes of violence<sup>7</sup>.

Regardless of important gains made in public security, the terms of paramilitary demobilisation and the armed forces' emphasis on counter-insurgency have been strongly criticised by local and international NGOs, the Colombian Left, academics from Europe and the US, as well as UN agencies. Beneath the controversy, fundamental disagreements exist in Colombia and internationally on the nature of the conflict. It is contested for example whether land distribution, poverty, inequality and class-based discrimination really lie at the heart of current problems, or whether it is the influence of the drugs trade and related illegal activities that are the main culprits. The Uribe government's alliance with the US has also created increased opposition among diverse sectors.

Perhaps the greatest disagreement – and the one most relevant to this report – is between those in Colombia who believe that the current phase can be described as one of "post-conflict" (given, for instance, the ongoing DDR process), where democracy and development with doses of justice are the primary tools for reconciliation; as opposed to others that believe that the government's anti-terrorism framework is too narrow to address the in fact ongoing violence, and that other peacebuilding approaches are needed such as broad-based reconciliation between victims and perpetrators, including strong elements of restitution<sup>8</sup>.

### 3. Colombia's economy today

The outsider visiting today's Colombia is frequently subjected to a world of sharp contrasts. On the one hand, in most of the large cities one finds five-star hotels, wireless internet, shopping malls, trendy restaurants, high-rise apartments, and so on. Business appears to be booming in many industries and many Colombian companies have become the darlings of Wall Street, such as the Banco de Colombia and the country's largest beer and soft drinks producer Bavaria, recently

purchased by the conglomerate SAB Miller, to give two examples. Despite ongoing armed conflict, the country's economy has experienced at least five consecutive years of positive economic growth fuelled in large part by commodities exports (see Table 2 in Annex 1).

On the other hand, one can still find horse-drawn carts hauling garbage next to buses and luxury cars in the big cities. Shanty towns of displaced persons and other rural poor have grown exponentially around the major metropolitan areas. Some parts of Colombia – in particular areas with high concentrations of indigenous and/or Afro-Colombian populations – demonstrate levels of poverty that are strikingly similar to sub-Saharan Africa. In short, although the Colombian economy has not been left behind by the global economy, certain sectors still remain in a precarious situation economically, in particular peasants, indigenous and Afro-Colombian peoples.

According to the 2007 UN Human Development Index, Colombia is at the top of the middle-income country list in terms of human development indicators with an average life expectancy of 72.3 years, an adult literacy rate of 92.8 percent and GDP/PPP per capita of US\$ 7,304, though the UN Economic Commission for Latin American and the Caribbean calculates GDP per capita at US\$ 2,674 at constant market prices<sup>9</sup>. However, these figures mask the unequal distribution of income and property in the country. In 2005, 14 percent of the national population were calculated to live below the poverty line, though this figure increases to 27 percent for the rural population<sup>10</sup>. And while income distribution as measured by the Gini coefficient has improved from 0.60 to 0.55 in recent years, Colombia remains the country with the second worst level of income distribution in Latin America after Brazil<sup>11</sup>.

In contrast to neighbouring countries in the Andean region, Colombia continues to pursue a free market-oriented economic development policy. According to the pro-free market US-based think tank the Heritage Foundation, Colombia is the 67th most free economy in the world, slightly behind Peru in 55th place, but well ahead of Ecuador, Bolivia and Venezuela in the 106, 123 and 148 spots, respectively<sup>12</sup>. Colombia's index score was based on a positive view of its business freedom, financial freedom and investment freedom, but was negative in terms of labour freedom and property rights.

Colombia's economy is relatively diversified in terms of export products and geographic distribution of economic and industrial activity, with significant concentrations of industry in the cities of Bogotá, Medellín, Cali, Baranquilla and other provincial capitals (Table 3 denotes Colombia's ten most important export products). In recent years, there has been a notable decline in exports of textiles, shoes and other consumer goods as competition from China and other Asian countries has become fiercer. The country has experienced a real estate boom in recent years fueled by a variety of factors including economic growth, remittances from Colombians living abroad, and of course the trade in illicit narcotics.

This has run in parallel to the international commodity boom which Colombia has benefited from thanks to its deposits of petroleum, coal, gold and other non-renewable natural resources. However, with the slowing of the US economy, this positive cycle might have reached its limits. Another challenge for Colombia are requirements that by 2010 all diesel fuel be 10 percent bio-diesel from African palm, and by 2012 this mandate increases to 20 percent<sup>13</sup>. This generates tremendous opportunities for the Colombian economy as well as enormous challenges, as some evidence already demonstrates the cultivation of African palm parallels some of the worst aspects of both the banana and the fossil fuel industrial economies such as over-dependency on one crop or industry, environmental degradation, displacement of people from land and an increased presence and footprint of private and public security forces.



## 4. Understanding international cooperation in Colombia<sup>14</sup>

Since 2003 there has been a tripartite process underway in Colombia – known as the London-Cartagena process – to forge a consensus on the priorities for international development cooperation. The three parties involved are the GoC, Colombian civil society in its diverse expressions, and a group of bilateral and multilateral donors referred to as the Group of 24 or G-24<sup>15</sup>. The third international conference of these parties took place in Cartagena, Colombia in November 2007. Upon the conclusion of this conference, international development agencies were compelled to acknowledge and seek to reconcile their sometimes contradictory analyses and priorities, including the following:

- *Characterisation of the country/conflict context:* “Post-conflict” versus active conflict; humanitarian response versus humanitarian crisis.
- *Conflict resolution framework:* Consolidation of the GoC’s Democratic Security Policy versus a negotiated peace with the guerrillas.
- *Governance approach:* Integrated military and social interventions versus locally initiated, autonomous initiatives free of military influence.
- *Economic development model:* Economic growth based on natural resources and agro-export potential combined with meeting the Millennium Development Goals, versus decentralised economic development proposals formulated by Colombia’s regions based on principles of sustainability and inclusion.

Table 4 in Annex 1 contrasts multilateral assistance to bilateral cooperation for the initial period of the London-Cartagena process. Table 5 in Annex 1 breaks down bilateral cooperation by individual country donor, demonstrating that US assistance constitutes nearly half of all bilateral cooperation. Other bilateral donors, such as Spain and the Netherlands have notably increased their support for Colombia during this time period.

Table 6 in Annex 1 breaks down multilateral donor aid during the same time period. The European Union comprises nearly half of all multilateral cooperation, with UN system agencies comprising the other half. Notably absent from the list below is the United Nations Development Programme (UNDP), as its role is frequently administering bilateral aid to the Colombia government or in some cases, resources of other UN agencies.

### 4.1. Institutional and policy frameworks for international cooperation

Colombia’s National Development Plan 2002–2006 established the National System for International Cooperation (NSIC), which is charged with coordinating international and national agencies while seeking to increase overall aid among existing and new donors; and better coordinating the use of international aid and strengthening the capacity of sub-national entities to implement development programmes<sup>16</sup>. The two institutional pillars of the NSIC are the Ministry of Foreign Affairs (MoFA) and the Presidential Agency for International Cooperation and Social Action (also known as *Acción Social*). The former is primarily responsible for defining government policy, and the latter for coordinating the implementation of non-reimbursable funds received from international donors combined with contributions from the national budget. *Acción Social* is notably robust in its capacity and public profile in comparison with similar agencies in other countries of the Andean region. Another Colombian executive agency that reports directly to the President, the National Planning Department, plays a key role in generating information and providing planning support to *Acción Social*.

More recently, the National Development Plan was revised by the GoC and re-titled “National Development Plan and Vision for Colombia 2019”, with four key objectives: an economy that generates social well-being; a more just society; a country where citizens are free to pursue their own life objectives; and a state efficient in the provision of public services<sup>17</sup>. Parallel to these national efforts, a strategy was devised to support sub-national institutions in their management and implementation of international funds. This strategy created the Departmental Committees for International Cooperation (DCIC), which are meant to allow the NSIC to set priorities based on local realities.

## 4.2. Development of an international cooperation strategy

As part of the London-Cartagena process, three international roundtables for Colombia were carried out with the support of the IADB between 2000 and 2003 in Madrid, Bogotá and Brussels. Later, the London Declaration was signed by the G-24 followed by the Cartagena Declaration in 2005<sup>18</sup>. In addition to the GoC and the G-24, these declarations were also signed by two accompanying groups, the civil society Alliance of Social Organisations for International Cooperation, Peace and Democracy in Colombia and another entity known as the London-Cartagena Consensus<sup>19</sup>. The latter is made up of the Catholic Church, the Colombian NGO Confederation, the Federation of Municipal Governments, the Council of Professionals and Industry Associations, the National Planning Council and the private-sector Restrepo Barco Foundation.

The London-Cartagena Process led to the definition of six areas for intervention by the international donor community:

- Forest conservation
- Reintegration of ex-combatants
- Alternative development for illicit crop eradication
- State capacity and rule of law
- Regional peace and development programmes<sup>20</sup>
- Forced displacement and humanitarian assistance

During the 2002–2006 time period, 31 percent of total international cooperation was invested in alternative development projects, largely funded by USAID<sup>21</sup>. Just under 10 percent was invested in so-called Regional Peace and Development Programmes financed first by the World Bank and later by the EU. Less than five percent was invested in the reintegration of ex-combatants and forest conservation combined.

## 4.3. Contesting strategies

During the second administration of President Alvaro Uribe beginning in 2006, the GoC has pursued a dual strategy for international cooperation. On the one hand it continues to engage and follow-up on the London-Cartagena process, while on the other it negotiates terms and frameworks bilaterally with the US government. This led to conceptual divisions between the American and European approaches to international cooperation in Colombia. The GoC has managed to reconcile these divisions for its own purposes during the Third International Donors Conference for Colombia held in Cartagena on 30 November 2007 (its results are summarised in Table 7 in Annex 1).

While there was a consensus among the parties around the broad areas for intervention, there were significant differences about how different actors and institutions were interpreting the evolving national context. As mentioned above, the view of the GoC is that Colombia is in a “post-conflict” phase period given the demobilisation of the AUC and the continued military

weakening of the guerrilla forces. According to this line of reasoning, armed groups no longer exist and all individuals and collectives that remain in arms are criminals and terrorists that are to be dealt with via military, police and intelligence actions. In this context, approaches related to combating drugs and terrorism prevail alongside actions taken to encourage economic growth focused on achieving the MDGs and generating opportunities for ex-combatants.

Interventions promoting alternative development and environmental conservation are considered essential for success during a “post-conflict” phase in winning the twin war against drugs and armed groups as well as generating a business climate attractive enough to increase foreign direct investment. In practice, this has led to what is referred to as a sectoral approach, whereby the GoC organises international cooperation in line with the National Development Plan focusing on specific sectors such as rural development, and implements projects through public institutions under centralised government control. The way the GoC has structured implementation of international cooperation has placed greater control over international donors’ ability to provide direct development project funding to NGOs without the express consent of the government.

Conversely, many national and international NGOs continue to emphasise the ongoing humanitarian crisis in Colombia caused by persistent and grave human rights violations and call for a negotiated settlement to the armed conflict, freeing of all remaining hostages in exchange for political prisoners, and the physical protection of vulnerable populations. Similarly, these same institutions call for a reformulation of policies designed to combat illicit crop cultivation and trafficking, the need for a sustained ceasefire among all armed groups before serious reintegration of ex-combatants can take place, and advocate for economic development initiatives to emerge independently of GoC military strategies. In this vein, these NGOs suggest that the MDGs be a benchmark in a broader peacebuilding process rather than the ultimate objective so as to create the time and space required to improve resource and income distribution.

## 5. “Alternative development” for illicit crop eradication: Security and conflict challenges

The importance of alternative development (AD) programmes in Colombia is two-fold. First, the drugs trade has generated the financial resources illegal armed groups require to maintain their military power. Second, the lack of economic opportunity, in rural Colombia in particular, makes joining the armed groups or cultivating illicit crops primary economic opportunities for young people. While the two alternative development programmes discussed in this section occasionally do involve demobilised combatants and displaced persons, this is not their primary target, but rather the vulnerable population in general.

This section describes a selection of alternative development programmes in Colombia, meant to provide income-generating alternatives to coca or poppy cultivation for the drugs trade. The GoC has created a Presidential Programme against Illicit Crop Cultivation to complement aerial fumigation strategies led by the Anti-Narcotics Police, carried out with US support, and manual eradication, supported by the Government of the Netherlands. Overall, the Presidential Programme against Illicit Crop Cultivation has invested more than US\$ 67 million in 46 projects to benefit 26,321 families located in 92 municipalities. Acción Social coordinates two schemes within the Presidential Programme. The first is the Productive Projects Programmes funded by the US Government. The second is the Forest Ranger Families programme funded by the UN Office on Drugs and Crime (UNODC).

## 5.1. Security challenges to sustainability

UNODC has created an online portal as a way to connect alternative development projects it supports with external markets<sup>22</sup>. Among productive projects supported by UNODC are cultivation and production of beans, palm hearts, coffee, honey, semi-processed sugar cane products, dairy goods, tomatoes, coconuts, chocolate, bananas and plantains. It is not clear how sustainable these projects are in order to compete in the market over the long term, but field research and interviews carried out by International Alert in the framework of this project indicate that some products such as cheese and milk can at times be indeed more profitable for some rural farmers than coca leaf cultivation. Nevertheless, the interests of armed groups and drug traffickers get in the way of consolidating these local economies and frequently halt them. However, where road infrastructure is limited and security risks are high, even products with market demand are a challenge to sustain (see Box 2).

### 2 Impacts of Security Challenges and Conflict on High-Value Crop Production – The Example of the Coffee Value Chain in the Department of Nariño

At the end of the 1990s, the department of Nariño experienced an intensification of armed conflict closely linked to the increase in illicit cultivation in the region. This conflict dynamic encouraged the displacement of the labour and capital of small producers away from legal crops and toward the planting of coca and poppies. In recent years, Nariño has come to be the department with the greatest area of illicit crops under cultivation in Colombia. An examination of coffee production in Nariño shows that the most important direct impacts of the conflict on this value chain are:

- The displacement of productive factors caused, on the one hand, by the forced displacement of workers, and on the other, by a reduction in the opportunity cost of participating in illegal alternatives such as coca cultivation;
- Aerial spraying of glyphosate, which has negatively impacted legal crops as well as the illegal ones targeted; and
- Extortion and the threat of future extortion of coffee growers and transporters by illegal armed groups seeking to control the population, valuable territory and trafficking corridors.

Furthermore, deteriorated road infrastructure and the resulting transport difficulties, although not directly related with the armed conflict, represent a fundamental threat to the competitiveness of this value chain.

Source: CERAC and International Alert (2009). *The Influence of Armed Conflict on the Coffee Value Chain in the Department of Nariño*, Colombia. London: International Alert.

Some Colombian experts and NGOs criticise the categorical “war” against rural populations and indigenous peoples who grow coca leaf as a traditional way of life for use in herbal teas and homeopathic remedies. They argue that these products have legitimate markets in the national economy and alternative development schemes don’t allow for their inclusion despite their potential profitability<sup>23</sup>. Other experts point out that alternative development is really an afterthought of anti-narcotics efforts, a claim supported by the fact that AD projects receive less than 10 percent of the resources provided by international cooperation agencies to deal with the problem<sup>24</sup>.

Furthermore, it is clear that transitioning farmers from illicit to legal crop cultivation is trial-and-error work that requires up to a decade of economic assistance and development in order to take root in society<sup>25</sup>. A common criticism about AD projects in Colombia is their close linkages to military intervention which some see as the only way to “clear and hold” territories and make them available for development. Others criticise AD for distorting local economic development, privileging those willing to support state security forces in their actions, and excluding those who do not.

## 5.2. Productive Project Programmes

Productive project or livelihood programmes are implemented in line with GoC policies for rural development, specifically through production alliances and subsidies through the quasi-governmental Incubator of Agricultural Production and Commercialization (INCUAGRO)<sup>26</sup>. Among the agricultural products produced within this programme are tropical fruits, tree tomatoes (a fruit unique to South America), cassava, farm-raised fish, African palm, coffee and timber. Additionally, some US government aid is supporting the cultivation of products that take up to two years before the first harvest such as rubber, cacao and African palm, since there is strong demand for these products in US and global markets.

It has been documented that US-funded fumigation of illicit crops in some cases inadvertently kill such alternative crops. It has been criticised that affected farmers are then unable to pay their debts, occasionally having to leave the land as a result, thus opening their land up to re-capture by illegal armed groups and drug traffickers<sup>27</sup>.

## 5.3. Forest Ranger Families Programme

The Forest Ranger Families Programme (FFRP) attempts to incorporate rural villagers, Afro-Colombians and indigenous families into voluntary and manual eradication of illicit crops. The arrangement commits the GoC and the beneficiaries to a three-year contract where participants are paid a bi-monthly subsidy for their labour. These contracts can be signed by an individual or collectively by a group of persons or community. The FFRP is limited to rural areas with pre-existing productive associations or cooperatives. The contracts require that 50 percent of the subsidies be placed in savings accounts to finance the productive projects of participants, including the development of export markets and land purchases. Some of the initial resources used to start these projects were provided by the US government and UNODC, the latter through a contribution from the Government of Italy.

More than 50,000 families have participated in FFRP in 59 Colombian municipalities, with just under 50 percent of resources coming from international cooperation and the remainder funded through national resources. This project has allowed for the clearing of 1.25 million hectares of illicit crops. The obligatory savings funds have been invested in the purchase of some 60,000 hectares of arable land by cooperatives and 41 agro-industrial and agro-forestry projects have been financed, including honey production and ecotourism. The above-mentioned National Development Plan has set an objective of involving 80,000 families in the FFRP to keep 1.2 million hectares free of illicit crops and preserve more than 100,000 hectares of pristine forests. According to the National Federation of Coffee Growers, at least 8,000 families are dedicated to growing coffee<sup>28</sup>.

Some international NGOs active in Colombia criticise the FFRP since they have observed, specifically in the remote department of Chocó, that participating families become targets of threats by armed groups<sup>29</sup>. In some cases, this has led to the displacement and kidnapping of programme participants. Others characterise FFRP as “institutionalised bribery” of farmers to not grow coca, combined with an unattractive offer of weak income-generating alternatives<sup>30</sup>.

## 6. “Alternative” alternative development programmes<sup>31</sup>

This section examines two similar development programmes in conflict-affected regions of Colombia that have been running parallel to the traditional alternative development programmes discussed above, namely the Peace and Development Programmes (Programas de Desarrollo y Paz or PDPs) funded by the World Bank, and the European Union’s Peace Laboratories (“Peace Labs”). These two programmes are very similar in approach, and differ only in funding source. While the discussion here will make some attempt to differentiate between the two, they are quite complementary and overlap in many cases. Both share traditional alternative development programmes’ general goals of reducing poverty and increasing economic development opportunities so that sustainable peace can be consolidated in the long term. However they differ from alternative development programmes fundamentally in that they are not meant to be linked, either conceptually or practically, to government security policies or illicit crop eradication. Rather, they are meant to emerge organically through local institutions.

Both PDPs and Peace Labs differ from other alternative development programmes in four ways. First, they are “multi-dimensional” in that they incorporate social, cultural and environmental factors in addition to economic ones. Second, they seek to respond to bottom-up proposals that emerge from citizens from conflict-affected regions of the country. Third, they strive to move beyond “economic charity” to promote long-term solutions to economic development and household income generation. Fourth, they integrate concepts of human rights, citizen participation and sustainable development. (Table 9 illustrates some of the commonalities and differences between the Peace Labs and the PDPs).

### 6.1. Peace and Development Programmes (PDPs)

The concept of the Peace and Development Programme emerged in the mid-1990s within the conflict-affected region of the Magdalena Medio, whose main urban centre is the petroleum city of Barrancabermeja. The region was once dominated by ELN guerrillas and later taken over by right-wing paramilitaries, in both cases involving major human rights violations against the local population. A major producer of petroleum, the region was also affected by the phenomenon known as “Dutch disease” whereby the region remained dependent on this industry, economically undiversified and highly underdeveloped. In this context, a Public-Private Partnership (PPP) was developed between the state petroleum company Ecopetrol, the petroleum industry labour union USO and the local diocese of the Catholic church to carry out an assessment of the social and economic conditions of the region. It is no coincidence that the PDP concept emerged in Magdalena Medio, a region with an accumulated experience of popular protest and high levels of social organisation, with strong labour unions and women’s groups among its more notable expressions.

A proposal was developed by the Catholic church, Ecopetrol and other local partners in the city of Barrancabermeja, submitted to and accepted by the World Bank, combining local income-generation activities with other projects dealing with peace, human rights and strengthening of civil society and institutions. Two loans in the amount of US\$ 5 million each were given to the GoC as the interlocutor and responsible party. Additional funding was provided by Ecopetrol, the UN and the EU<sup>32</sup>. Between 1995 and 2002, an additional 13 PDPs emerged across the country in some of the areas most affected by armed conflict and the drugs trade<sup>33</sup>. The PDPs each develop a varied mix of projects in the areas of:

- Life, justice and peace;
- Productive processes;

- Environmental sustainability;
- Institutional and civil society capacity-building; and
- Culture and knowledge.

Table 10 lists the range of activities associated with different PDPs in these project areas between 1998 and 2002. As mentioned above, the first and most widely known PDP is the one that was implemented in the Magdalena Medio region (PDP-MM) under the leadership and advocacy of a Jesuit priest from the local diocese. In its institutional discussion of the PDP-MM, the World Bank defines the PDP-MM as an NGO, though many actors in Colombia would place it and other PDPs into a distinct category of civil society all to itself, to be differentiated from NGOs for example<sup>34</sup>. The Bank decided that given the conflict dynamics, it was not feasible to loan to local communities directly through the GoC and thus opted for the PDP option. In this way, it was made evident that a private entity could make proper use of public funds for local investment.

The PDP-MM began by developing municipal citizen networks throughout the region to collaborate and interact with municipal authorities. Additionally, ten thematic networks emerged around issues such as community radio, youth development and agricultural cooperatives. The first PDP-MM invested in 67 projects: rural agriculture (20), marketing (8), and fish farming (18), with the remainder in areas such as health care delivery, education, institutional development and conflict resolution<sup>35</sup>.

Once projects began to become more complex, either because their geographic coverage extended beyond one municipality or technical requirements increased – for example with proposals for African palm production – it became clear that the PDP-MM needed to establish clearer criteria for its involvement in the feasibility and investment stages of projects. One of the more successful ventures of the PDP-MM was the cultivation of cacao in three localities where it was able to identify the right technical support and appropriate level of accompaniment throughout. This process also created the opportunity for producers to integrate benchmarking of their production against producers in other parts of the country as well as the development of linkages between different links in the value chain<sup>36</sup>.

By 2002, the World Bank had learned quite a bit about the results and outcomes of the PDP-MM, but found that most projects never entered what they termed the “investment phase”<sup>37</sup>, though most had good prospects, and that there was difficulty linking the local participatory processes with long-term national development planning. Additionally, the time-consuming nature of the effort (and perhaps also the ongoing armed conflict) meant that it would not be possible in the short-term for projects to transition to a traditional ten-year World Bank loan. In one initial, independent assessment of four PDPs, including PDP-MM, the following findings were generated<sup>38</sup>:

- The PDPs position themselves and are perceived as neutral within the armed conflict dynamics.
- The economic development aspects are not of a large enough scale to have visible impacts on a region’s economy despite benefits that may be observed in specific communities and households.
- In some localities, PDPs compete with local government authorities and their programmes, but in others the relationship is much more complementary.
- The national government has a key role to play in supporting PDPs, in particular in relation to territorial demarcation and zoning.
- The skills required for implementing PDPs change over time. Initially, a strong

public advocacy component is required. Later, greater technical capacity in project administration and evaluation is needed. Finally, once programmes have reached a certain level of maturity, more political skills are needed to manage the institutional relationships.

Overall, the assessment found that in 2002, the PDPs were too immature and activities too dispersed in order to make any judgments as to their impact on development or peace. As they developed, the PDPs have become independent of World Bank funding, seeking funds from the private sector and other sources of international cooperation.

The PDPs in Colombia are wide-ranging and difficult to characterise as one unique phenomenon. In fact, the PDPs have formed the Network of Peace and Development Programmes (REDPRODEPAZ) to link activities and advocate for local and regional approaches to development throughout Colombia<sup>39</sup>. Of the 499 projects financed through PDPs to date, 64% have focused on income generation, 10% on institutional development and 54% on human rights and conflict resolution. One later example of the PDP-MM for example is the Cooperative of Brick Makers of Barrancabermeja that was formed out of a group of individuals working each on their own. In 2005, with US\$ 745,000 in investment through the PDP, they were able to build a factory with two brick ovens producing up to 144,000 bricks per month and had received orders from construction companies in major cities as the real estate construction boom began to take root.

The dispersed evidence available indicates that PDPs have the potential to create economic opportunities and create social capital that is conducive to peacebuilding. This is difficult to measure in practice and it seems the scale of interventions is still too small to have the desired macro-impact on development and peace in Colombia. Still, the Colombian national planning agency highlights the following four elements of PDPs<sup>40</sup>: first, peace depends on an equitable and inclusive development model. Second, development thinking cannot be limited only to its socio-economic components. Third, projects should reflect the beneficiaries' own aspirations for the future. Fourth, the PDPs should be autonomous yet interconnected with other civil society and government institutions.

## 6.2. Peace Laboratories

At the time of the conceptualisation of the Peace Labs, the EU was supporting the efforts of then President Andres Pastrana to negotiate a peace agreement with the FARC. In this context, Peace Labs were seen as an economic development programme that would be very compatible with anticipated “post-conflict” peacebuilding requirements. However, once the last round of peace talks collapsed in 2002, the Peace Labs were focused on peacebuilding at a more localised and community level<sup>41</sup>. They aim to create a “positive peace” including addressing issues of social justice for example, in contrast to the “security first” approach of some of the other alternative development initiatives. Table 11 in Annex 1 lists the different phases and amount of total funding for the Peace Labs. Today 20 percent of the Peace Labs funding comes directly from the GoC.

Institutionally, each Peace Lab is housed by a coordinating entity. These differ in nature across different Peace Labs: in some instances, like the Indigenous Regional Council of Cauca in the Alto patía region, these are pre-existing. In others, they are non-profit entities created for this purpose, like the PDP of Oriente Antioqueño that was created by national utility providers in a PPP including local municipalities and the Pan American Development Foundation. In Norte de Santander, the second-phase Peace Lab there is run by a consortium consisting of various dioceses of the Catholic Church, several local chambers of commerce and two universities.

Three concepts within the Peace Labs are worth mentioning here:

- Small Community Clusters;



- Humanitarian Spaces; and
- Fincas Campesinas (peasant farms).

The bottom-up concept of both the PDPs and the Peace Labs creates opportunities for local citizens to group together to make project proposals in the defined areas of intervention. Núcleos de pobladores or Small Community Clusters assess local problems and develop their project proposals for presentation to the Peace Lab or PDP. There is no fixed definition of these groups, rather they consist of individual citizens, associations and other local institutions and actors working together to create implementable projects.

The concept of Humanitarian Spaces was introduced to the Peace Labs during Phase II, where citizens could seek protection from violence without having to resort to violence themselves or making themselves more vulnerable to threats and attacks by seeking state security forces for protection. The concept was heavily influenced by the Catholic priests involved and promoted civil resistance to violence. Citizens could seek to involve themselves with the Peace Labs in search of literacy, health services, human rights and economic development opportunities at the same time.

Such Humanitarian Spaces also allowed for dialogue between Peace Lab participants and representatives of the different armed groups, each of which was suspicious of these projects albeit for different reasons. By and large, the armed groups have not tried to destroy the Peace Labs, although in some cases they have attempted to co-opt them for their own purposes and others, and in some cases they have indeed killed or threatened its participants<sup>42</sup>.

Fincas Campesinas, or peasant farms, are a concept within the Peace Labs and PDPs where participants hold or obtain ten to twelve hectares of land to cultivate. This is conceptualised as an alternative to resisting pressure to sell land to be used by large agro-industrial projects. The first priority of the Fincas Campesinas is to create self-sufficiency in food production for the family. The second priority is to produce surpluses that can be marketed collectively with other farmers to take advantage of cost-sharing. This concept is also thought to promote a more rational use of resources and better conservation practices than is the case with larger industrial farms<sup>43</sup>. In recent years, some of the Fincas Campesinas have branched out beyond the production of fruits, vegetables and grains to enter into the cultivation of African palm. There are market growth arguments for entering into palm oil production, but also risks related to threats to local food security and the involvement of large agro-industrial enterprises that dominate the market. There are most certainly tensions between the Finca Campesina model and traditional agro-export promotion. However, field research indicates that participation in the Peace Labs and involvement in more traditional agro-export projects are not mutually exclusive, although the latter contradict some of the Peace Labs original intentions, in terms of social and environmental sustainability in particular<sup>44</sup>.

As is the case in the PDPs, it is quite difficult to articulate the broader impacts of the Peace Labs though the EU and Acción Social were in the middle of undertaking comprehensive evaluations of Phases I and II as of this writing. Some critics of the Peace Labs claim they are not as different from other alternative development projects as the EU claims them to be and that their overemphasis on cash crops and single-crop farming is a long-term threat to rural Colombians<sup>45</sup>, although there is some evidence that these projects attempt to articulate and promote subsistence food security among their participants.

Another challenge for the Peace Labs is the increasing involvement of the GoC in their formulation and implementation after maintaining a greater institutional distance in the initial phases<sup>46</sup>. On the one hand, this is positive in that the GoC is acknowledging the positive role they play and this may allow for the further expansion of Peace Labs and PDPs throughout the country. It may also help consolidate and strengthen systems for monitoring their impact on peace and development

objectives. However, there is some initial evidence that Acción Social had held up approval of some projects due to disagreements on the characterisation of the Colombian conflict (“post-conflict”, as defined by GoC vs. “conflict-affected”, as defined by many NGOs and segments of the international community). At the same time, there has been pressure to integrate the Family Forest Keepers and demobilised paramilitary combatants into the Peace Lab and PDP frameworks. Some feel the integration of these alternative development approaches with the Peace Labs will put communities at greater risk from armed groups, as they will be associated more closely with the GoC’s Democratic Security Policy.

Just as is the case with the PDPs, the Peace Labs appear to be important spaces for creating frameworks based on local formulations that do not fit neatly within central economic planning and traditional private-sector approaches to economic development. Beyond these two categories, their broader impacts, albeit very positive on households and communities, is difficult to demonstrate or measure.

## 7. Economic opportunities for reintegrating ex-combatants: Challenges of “scaling up”

Worldwide, most international cooperation projects for demobilised combatants have not focused exclusively on their economic reintegration, but rather on a whole range of needs. However, creating sustainable economic opportunities is often the most challenging. Table 12 in Annex 1 lists a selection of projects funded by the international community for the demobilisation and reintegration of ex-combatants in Colombia and related activities since the above-mentioned passage of the Justice and Peace Law.

At the beginning of the current DDR process of paramilitary forces, here called Phase I, the economic reintegration component was run by the “Programme for Reincorporation into Civilian Life” that was coordinated by the High Commissioner for Peace with the support of the National Apprenticeship Service. In 2004, this programme initiated Productive Projects for Peace with funding from USAID, and was implemented with the support of the International Organisation for Migration (IOM). As of February 2006, IOM was supporting 10 projects with an approximate investment of more than US\$ 6 million to cover seed funding, support to local governments and IOM’s institutional costs. The projects were similar to many other alternative development and agro-industrial schemes and have in some cases overlapped with the Family Forest Keepers Programme. The OAS observer mission was key in informing potential beneficiaries through its monitoring of the paramilitary demobilisation process and implementation of the Justice and Peace Law. According to the Justice and Peace Law, each demobilised combatant receives a seed grant consisting of approximately US\$ 1,000.

Depending upon whether ex-combatants demobilised collectively or as individuals, they received an adjustment stipend between US\$ 350 and US\$ 450 for a period of eighteen months after demobilisation<sup>47</sup>. For practical reasons, including difficulties in generating sufficient employment and income-generation opportunities, these stipends were extended on different occasions.

Phase I of the reintegration process offered ex-combatants four options, or “paths”:

- Grants for individual livelihood projects;
- Grants for collective associative projects among ex-combatants;
- Private-sector employment; and
- Scholarships for high school and higher education.

Unfortunately, the private sector was not overly enthusiastic about providing direct employment opportunities to ex-combatants and approximately 80 percent of the income-generating projects failed with many of the remaining projects just barely getting by. Two of the more successful income-generating activities were mini-markets and private telephone kiosks run by some ex-combatants<sup>48</sup>.

Former fighters were also placed to work in public service under the guidance of the police, military and other municipal authorities as citizen security auxiliaries, park rangers and guides, landmine zappers, tour guides, public event auxiliaries and for manual eradication of coca crops. While this may have been a pragmatic measure given the lack of private-sector and sustainable self-employment opportunities, it does present potential problems in terms of conflict dynamics.

Up to mid-2006, over 14,300 demobilised combatants out of more than 40,000 overall had been documented in some type of employment or income-generating activity (see Table 13 in Annex 1 for a breakdown of different economic activities ex-combatants were engaging in)<sup>49</sup>.

From the Phase I reintegration efforts in Colombia, the following lessons were generated<sup>50</sup>:

- Not all ex-combatants are “cut out” to be entrepreneurs, so cooperation to support their reintegration should not over-emphasise this aspect;
- Robust accompaniment is required to support the decision-making processes of ex-combatants once in the system;
- Small business and other income-generating projects require feasibility studies to be carried out before they are initiated;
- Reintegration is much weaker without robust participation by the private sector; and
- Self-selected groups of demobilised combatants can pool resources and in some cases hire other ex-combatants.

Given the ongoing challenges Colombian society had experienced in generating employment and other income-generating opportunities since the AUC demobilisation process began, in February 2006, a prominent Colombian businessman, Frank Pearl, was appointed High Commissioner for Reintegration replacing the prior institutional set up for promoting the reintegration of ex-combatants. USAID through IOM as implementing partner has been the primary source of international cooperation for the High Commissioner. In 2007, the High Commissioner reported the creation of 157 productive associations in 19 municipalities in six Colombian departments, providing employment to 898 demobilised combatants<sup>51</sup>. One of the important projects of the High Commissioner for Reintegration is the integration of a sort of matchmaking service called a “talent bank”, where professionals provide training or project advice to ex-combatants and other target populations in several Colombian departments. The talent bank was an initiative of the non-profit organisation Colombia Presente, subsequently incorporated into the activities of the High Commissioner.

In general, Colombian companies were hesitant to bring ex-combatants into the workplace for a variety of reasons including security concerns, as well as the lack of skills required for many positions. In this vein, the High Commissioner for Reintegration shifted the focus from requesting companies to provide employment to ex-combatants to one of improving the quality of the skills of the demobilised for the workplace on its own terms, in a sense preparing ex-combatants to compete with other Colombians in the marketplace rather than asking for special employment preferences.

Another project currently being developed by the High Commissioner is a “land bank”, where individuals or businesses can donate or lease land to projects for demobilised combatants. This scheme complements other programmes for training and social investment that have been taken from the Phase I effort and improved upon. It is becoming increasingly evident that one of the

most promising areas of activity is the agro-industrial sector, but this has its own risks due to the fact that the geographic areas where it is concentrated are often areas with high levels of armed conflict and the presence of illegal armed groups.

While the participation of the private sector in generating employment opportunities for ex-combatants has not been robust in terms of the overall need, there have indeed been efforts by many companies to do something in this regard. At times, this means direct employment, while at others, it has been more of an arms-length relationship focused on building skills, incorporating them as suppliers or supporting the development of projects outside their own company as part of corporate social responsibility policies (Table 14 in Annex 1 lists some of the private-sector efforts to support the employment of ex-combatants as of January 2008).

There are several prevailing approaches to integrating ex-combatants into economic life including PPPs involving international cooperation, private sector-led initiatives and municipal government-led initiatives. While there is frequently overlap among these three categories, examples of each are provided below in Box 3.

### 3 Examples of Public-Private Partnerships for the Reintegration of Ex-Combatants

The Colombian cement-maker, Cementos Argos, entered into a PPP with USAID to be implemented through IOM in order to assist the demobilised AUC in the departments of Sucre and Antioquia. One of the projects has been to cultivate chili peppers in the town of Puerto Triunfo with land facilitated by Cementos Argos. In November 2007, Florida-based Comexa Foods agreed to purchase all of the chilis produced by the project, estimated to be close to 1,840 tonnes, providing 320 jobs to ex-combatants.

Since 2005, the national department store chain Almacenes Éxito has employed 25 demobilised combatants as logistical auxiliaries, out of which 17 have remained as full-time employees following completion of their National Apprentice Service training programmes. An additional 25 are being incorporated as of this writing. Participants begin with a six-month internship and are accompanied by a mentor that works with them on issues of vocabulary, appearance as well as promoting their participation in sports and other civic activities outside the workplaces to fill up their free time. This model has been successful for the company, but there are questions regarding the sustainability of a quasi-paternalistic model as well as its replicability elsewhere.

The municipal governments of Bogotá and Medellín, in addition to other cities throughout the country, have set up specialised offices to attend to resident demobilised combatants in part because the national government has underestimated the numbers of ex-combatants in some cities and a more localised response has been required to integrate them into civilian life. In Bogotá, ex-combatants from all armed groups have been employed by the municipal government to build school furniture for under-privileged districts as part of a collectively funded effort by USAID, IOM and the National Commission for Reconciliation and Reparation. The municipality of Medellín has worked with the National Training Service and the French multinational department store chain Carrefour to develop 24 apprenticeships in sales and customer service in its Medellín stores with at least half of the apprentices now under consideration for full employment.

Source: Guáqueta, A. and Orsini, Y. (2007). *Business and reintegration: Cases, experiences and lessons*. Bogotá: Fundación Ideas para la Paz.

It is likely that many more combatants have been hired or employed through the private sector and other collaborative arrangements and for one reason or another have chosen to maintain a low public profile. However, given the independent reports of reconstituted paramilitary groups into more mafia-like organisations such as the Aguilas Negras, it is clear that either the employment opportunities are not sufficient and/or illicit activities remain too attractive an option for young men with low levels of education.

## 8. Conclusions and key lessons

As mentioned in the introductory section, the purpose of this paper is to use the Colombian experience to draw broader lessons and points for reflection for the international community of governments, NGOs and specialised agencies dedicated to economic development as well as those working on peacebuilding. The report therefore does not attempt to make any specific recommendations to the Colombian government or the international community on their strategies and responses in the Colombian context itself<sup>52</sup>.

At present, Colombia is one of the wealthiest and most developed countries experiencing sustained levels of armed conflict, though this should not mask severe geographic, rural and ethnic inequalities. Different analyses and interpretations of the conflict, and responses to it, make up a fragmented picture including a range of economic, security and social challenges. Views of the conflict, and as a result the proposed and implemented solutions to tackle it, are contested and contradictory in nature.

With this in mind, this report generates the following key lessons based on the Colombian experience in recent years:

- **Narrow focus of international cooperation:** Focusing international cooperation closely to poverty reduction and the achievement of the Millennium Development Goals, as important as they may be, fails to address the reality and social dynamics of middle-income countries experiencing protracted armed conflict and a myriad of other more localised social and political conflicts.
- **Policy inconsistency:** Linking military security and the war on drugs to peacebuilding and non-violence lacks coherence, and seriously risks undermining the latter. Such strategies often require vulnerable populations to “side with” the government even when the government is not able to guarantee security from resulting attacks from illegal armed groups. The persistent presence of armed actors in many, but not all, of these areas also enables rent-seeking from projects meant to benefit poor and displaced peoples.
- **Analysis and categorisation of conflict situations:** While it is clear that some aspects of the Colombian context call for “post-conflict” peacebuilding approaches, such as the demobilisation and reintegration of some groups of combatants, there are clearly parts of the country where armed conflict continues. Conflating different stages of conflict and resulting peacebuilding needs under such blanket headings (whether for political or other reasons) leads to flawed responses, for example in the case of international assistance to the displaced, where displacement is still ongoing.
- **Impact assessment:** Evaluation of initiatives such as those described in this paper is entirely underdeveloped. While projects such as the Peace and Development Programmes, Peace Labs and others appear to provide options to standard alternative development and “post-conflict” programming, there is no evidence of the depth, breadth, and sustainability of their impact despite positive evidence sometimes observed at the level of individuals and households. As a result, important lessons they may hold for interventions elsewhere cannot be harvested.
- **Public-Private Partnerships:** Countries such as Colombia with a dynamic and well-developed national and multinational private sector provide a richness of opportunities for PPPs that may not be available in every conflict context. Despite the fact that the Colombian private sector has probably done more than any other national private sector in recent history to contribute to the economic reintegration of ex-combatants and generation of income-

earning opportunities for the displaced and vulnerable populations, it is still far too little for the magnitude of the problems and the risks of not getting it right in the very near future. Still, Colombia provides some innovative examples of PPP that should inform the ongoing international discourse and debate on the role of PPP in conflict, and especially post-conflict, contexts.

It is also clear that such multi-stakeholder partnerships for economic development are difficult, require the building of trust, and need a lot of guidance and accompaniment by parties accepted as impartial by all sides. The peacebuilding sectors' experience and expertise of accompanying dialogue processes may be helpful in this regard.

- **Factoring in conflict risks of agricultural development:** A combination of agro-export and subsistence agriculture continue to be the primary modes of promoting economic development in most post-conflict and developing country contexts. Especially in countries like Colombia, where control and ownership of land has been a key driver of conflict, increasing attention needs to be paid to make sure agro-export models do not reinforce long-term conflict dynamics, nor put food security at risk. The growing promotion of cash crop bio-fuels such as ethanol from sugar cane and bio-diesel from African palm increasingly complicate these dynamics further. Evidence shows that one of the more sustainable strategies is to:
- **Linking economic opportunities into existing and strong value chains<sup>53</sup>:** “Economic charity” in conflict situations is not only not sustainable, it can also increase vulnerability to socio-economic and conflict risks. In situations where expectations for a peace dividend are high among the population, failed interventions may have further negative, conflict-feeding impacts, as they may demonstrate to beneficiaries that illicit economic activity is, after all, the more reliable source of income.

Value chain analysis and approaches can serve to formulate combined economic development and peacebuilding interventions. They can help not only to identify the unique problems of different actors involved in the chain, but also to propose specific solutions that foster better outcomes for small growers and meaningful improvements in their socio-economic conditions.

- **Promoting conflict-sensitive alternative livelihoods:** Persisting war and criminal economies make alternative development projects difficult to sustain, and pose serious security risks for those participating. There is increasing anecdotal evidence that illicit crop cultivation in Colombia is not always more profitable for rural farmers than other agricultural products since the majority of profits are produced higher up the value chain. However, the failure to resolve armed violence and the persistent threat of violence against rural populations combined with deficient transportation infrastructure to markets discourages many individuals from trying. Conflict-sensitive approaches are required to ensure that the security of beneficiaries and participants be a top priority in development, and not be sacrificed for broader, national or geostrategic security interests.
- **Revising approaches to the economic reintegration of ex-combatants:** Colombia confirms lessons learned elsewhere in regards to the limits of agricultural and small business self-employment for ex-combatants. While governments and the international community need to be careful not to privilege ex-combatants over others in society when it comes to economic opportunities, a broader framework for income-generation needs to be developed that includes medium and large national and multinational enterprises as well as the public sector.

## Annex 1 – tables cited in the text

**Table 1: Key Security Indicators in Colombia**

	2002	2003	2004	2005	2006	2007
Massacres	115	94	46	48	37	26
Homicides	28,837	23,523	20,208	18,111	17,479	17,198
Kidnappings	2,883	2,121	1,440	800	687	521

Source: Defence Ministry statistics as cited in Acción Social (2007). *Mapa de la Cooperación Internacional*. Bogotá, Colombia: Acción Social; Vice Presidencia de la República (2008). *Situación de los Derechos Humanos y Derecho Internacional Humanitario*. Bogotá: Programa Presidencial para los Derechos Humanos y Derecho Internacional Humanitario.

**Table 2: Colombia: Annual GDP Growth %**

2003	2004	2005	2006	2007
4.6	4.7	5.7	6.8	7.0

Source: United Nations Economic Commission for Latin America and the Caribbean (ECLAC) (2007). *Anuario Estadístico 2007*. Santiago: ECLAC.

**Table 3: Colombia's Leading Export Products 2005 as % of Total Exports**

Crude petroleum	19.0
Coal	11.5
Petroleum products	7.1
Coffee	7.0
Flowers	4.3
Ferro-alloys	3.5
Polymers	3.2
Gold	3.0
Bananas	2.4
Passenger vehicles	2.0

Source: United Nations Economic Commission for Latin America and the Caribbean (ECLAC) (2007). *Anuario Estadístico 2007*. Santiago: ECLAC.

**Table 4: Bilateral and Multilateral Cooperation 2002–2006  
In US Dollars**

Source	2002	%	2003	%	2004	%	2005	%	2006	%
Bilateral	218.042.698	84%	221.355.442	77%	244.249.330	76%	251.575.099	76%	281.773.733	80%
Multilateral	41.412.454	16%	65.612.352	23%	77.865.880	24%	81.214.743	24%	71.517.013	20%
Total %	259.455.152		286.967.794		322.115.210		332.789.842		353.290.746	

Source: Agencia Presidencial para la Cooperación Internacional y Acción Social Mapa de la Cooperación Internacional (2007). Available at [http://www.accionsocial.gov.co/acci/web\\_acci/nuevomapa/bienvenida.html](http://www.accionsocial.gov.co/acci/web_acci/nuevomapa/bienvenida.html).

**Table 5: Bilateral Cooperation 2002– 2006  
In US Dollars**

Country	2002	%	2003	%	2004	%	2005	%	2006	%
US	125.508.594	58%	117.900.000	53%	125.000.000	51%	126.931.216	50%	134.487.000	48%
Spain	25.500.000	12%	23.010.000	10%	22.750.000	9%	21.600.000	9%	38.280.509	14%
Netherlands	9.561.800	4%	7.990.968	4%	16.730.909	7%	21.381.114	8%	27.293.224	10%
Germany	21.342.910	10%	20.992.140	9%	18.058.113	7%	20.000.000	8%	20.000.000	7%
Sweden	7.502.380	3%	11.469.452	5%	16.171.470	7%	15.000.000	6%	15.000.000	5%
Japan	6.913.553	3%	6.991.907	3%	8.734.054	4%	11.149.687	4%	11.000.000	4%
Subtotal	196.329.237	90%	188.354.467	85%	207.444.546	85%	216.062.017	86%	246.060.733	87%
Total	218.042.698	100%	221.355.442	100%	244.249.330	100%	251.575.099	100%	281.773.733	100%

Source: Acción Social Mapa de la Cooperación Internacional (2007). Available at [http://www.accionsocial.gov.co/acci/web\\_acci/nuevomapa/bienvenida.html](http://www.accionsocial.gov.co/acci/web_acci/nuevomapa/bienvenida.html).

**Table 6: Multilateral Cooperation 2002–2006 in US Dollars**

Source	2002	2003	2004	2005	2006
EU	18.081.727	36.303.846	46.800.000	31.611.578	32.000.000
WFP	3.050.091	3.690.049	6.994.320	10.740.074	8.000.000
UNOHCHR	580.335	NA	NA	812.000	8.000.000
UNHCR	2.700.000	3.500.000	4.180.986	4.693.555	5.911.000
UNICEF	4.445.000	4.548.852	2.188.105	5.255.858	5.712.431
World Bank	1.200.200	3.014.198	7.046.158	6.000.000	4.926.734



Subtotal	30.057.353	51.056.945	67.209.569	59.113.065	64.550.165
TOTAL Multilateral	41.412.454	65.612.352	77.865.880	81.214.743	71.517.013

Source: Acción Social Mapa de la Cooperación Internacional (2007).

Available at [http://www.accionsocial.gov.co/acci/web\\_acci/nuevomapa/bienvenida.html](http://www.accionsocial.gov.co/acci/web_acci/nuevomapa/bienvenida.html).

**Table 7: Colombia's International Cooperation Strategy 2007–2010**

Area	Projects	Donors and mandates
MDGs	<ul style="list-style-type: none"> <li>• Red Juntos</li> <li>• Familias en Acción</li> <li>• Education projects</li> <li>• Health projects</li> </ul>	National budget Multilateral loans Free trade agreements
War on drugs Environmental protection	<ul style="list-style-type: none"> <li>• Alternative development</li> <li>• Crop substitution</li> <li>• Environmental protection</li> <li>• Forest stewardship</li> </ul>	Plan Colombia II IC Strategy 2007–2010
Reconciliation Democratic governance	<ul style="list-style-type: none"> <li>• Rule of law/human rights</li> <li>• Reintegration of ex-combatants</li> <li>• Humanitarian response to victims</li> <li>• Support to National Commission for Reparation and Reconciliation</li> <li>• Regional Peace and Development Programmes</li> </ul>	

Source: Acción Social Mapa de la Cooperación Internacional (2007).

Available at [http://www.accionsocial.gov.co/acci/web\\_acci/nuevomapa/bienvenida.html](http://www.accionsocial.gov.co/acci/web_acci/nuevomapa/bienvenida.html).

**Table 8: Productive Projects supported by USAID 2001 to present**

Product	Department	% Intl cooperation	% National resources	Date of initiation
Palm	Norte de Santander	18	82	2001
Palm	Santander	87	13	2002
Palm	Norte de Santander	22	78	2004
Palm	Casanare Magdalena Nariño Santander	3	97	unavailable
Palm	Bolívar	13	87	2004
Palm	Magdalena	16	84	2006
Palm	Bolívar	19	81	2004

Palm	Norte de Santander	1	99	2007
Rubber	Santander	38	62	2003
Rubber	Cordoba	20	80	2003
Rubber	Antioquia	34	66	2005
Rubber	Antioquia	13	87	2006
Cacao	Antioquia	13	87	2006
Cacao	Norte de Santander	28	72	2005
Cacao	Norte de Santander	23	77	2001
Cacao	Santander	30	70	2001
Cacao	Huila	19	81	2004
Cacao	Cesar La Guajira Magdalena	42	58	unavailable
Cacao	Norte de Santander	23	77	2001
Cacao	Huila	21	79	2007
Cacao	Cesar La Guajira Magdalena	16	84	2001
Cacao	Bolivar	60	40	2006
Cacao	Santander	9	91	2005
Passionfruit	La Guajira Magdalena Sucre Bolivar Cesar Cordoba Meta	9	91	2004
Plant fibre	Antioquia Caldas Nariño	16	84	2004
Plant fibre	Cauca	18	82	2001
Chile peppers	Caldas Quindio Tolima Valle	10	90	2007

Source: Acción Social Mapa de la Cooperación Internacional (2007).

Available at [http://www.accionsocial.gov.co/acci/web\\_acci/nuevomapa/bienvenida.html](http://www.accionsocial.gov.co/acci/web_acci/nuevomapa/bienvenida.html).

**Table 9: Peace Labs and Peace and Development Programmes**

	Peace Labs	PDPs
Funding	European Union/GoC	World Bank/GoC
Objectives	Citizen cohesion; strengthening dialogue for peace; overcoming armed conflict; defending human rights; promoting sustainable, socially and environmentally sound economic activities; gender equity; and development of public policies.	
Criteria	Levels of armed violence, poverty and displacement and communities receiving displaced persons.	Intensity of displacement; expulsion/reception of displaced persons; ability to share experiences; linkages to other initiatives.
Components	Variable between Phases I, II and III	Prevention of displacement; creation of conditions for sustainable return and or relocation; strengthening of national support system for the displaced.
Regions	Phase I – Magdalena Medio Phase II – Oriente Antioqueño Phase II – Montes de Maria and Meta	All regions, except the Department of Meta
Institutions	Acción Social, national planning agency, PDPs, local development corporations and other local government and civil society actors (e.g., Núcleos de Pobladores).	

Source: Salinas, Y. and González-Posso, C. (2008). *Propaz: International cooperation for peace and development in Colombia*. Bogotá: Indepaz.

**Table 10: Peace and Development Programme Project Areas**

PDP project areas	Types of projects and activities
Life, Justice and Peace	<ul style="list-style-type: none"> <li>• Psychosocial recovery services to victims</li> <li>• Nonviolence education</li> <li>• Conflict resolution training</li> <li>• Alternative dispute resolution mechanisms</li> </ul>
Productive Processes	<ul style="list-style-type: none"> <li>• Food security</li> <li>• Integration of local farmers to value chains</li> <li>• Integrating traditional production technologies and best practice with newer technologies</li> <li>• Ecotourism, organic agriculture and recycling</li> <li>• Urban employment creation</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Social pacts for rational use of resources and ecosystem protection</li> <li>• Environmental recovery through participative action and education</li> <li>• Alternative energy development</li> </ul>

Institutional and Civil Society Capacity Building	Participative planning for local and household development Management training for local governance Leadership training in democracy, human right, Development of information systems
Culture and Knowledge	Recovery of cultural identities Communication for development and peace Assessment of local economic dynamics and possibilities Promotion of creative use of free time

Garcia, S. and Sarmiento, A. (2002). Programas regionales de desarrollo y paz: Casos de capital social y desarrollo institucional. Bogotá: Fundación Ideas para la Paz and UNDP.

**Table 11: Peace Lab Funding (in millions of Euros)**

Phase	Total	EU contribution	GoC contribution
I – Magdalena Medio	42.2	34.8	7.4
II – Oriente Antioqueño Norte de Santander Altopatia	41.4	33	8.4
III – Montes de Maria and Meta	30.2	2.2	6
Total	113.8	92	21.8

Source: Agencia Presidencial para la Cooperación Internacional y Acción Social (2008). *International Cooperation Strategy 2007–2010*. Bogotá: Acción Social.

**Table 12: Select Projects Supported for Ex-Combatants Supported By International Cooperation**

Donor	Project	Location
Belgium	Youth reintegration	Antioquia
EU	Pilot programme to define reintegration programme	National
EU	Pilot reconciliation projects in Antioquia	Antioquia and Bolivar
Netherlands	Reintegration	National
Netherlands	National Commission for Reconciliation and Reparation	National
Spain	Attention to victims of war	Bogota, Cauca, Valle and Nariño
Spain	Support to National Commission for Reconciliation and Reparation	National

Spain	National plan for reconciliation	National
Spain	Support to the Inter-American Court on Human Rights (cases on Colombia)	National
Spain	Support to women victims	Antioquia
Sweden	Post-conflict and DDR	National
Switzerland	Psychosocial support to victims	Magdalena, Norte de Santander, Sucre
United Kingdom	Reintegration and prevention of child combatants	Bogotá
United Kingdom	Construction of center to rehabilitate child combatants	Bogotá
UNDP	Local governance and development in context of reconciliation	National
United States	Reintegration of child combatants	National
United States	Restorative justice	Cauca and Valle

Source: Agencia Presidencial para la Cooperación Internacional y Acción Social (2008). *International Cooperation Strategy 2007–2010*. Bogotá: Acción Social.

**Table 13: Economic Activity of Colombian Ex-Combatants May 2006**

Activity	Number
Formal and informal day labour	5,318
Productive projects (primarily agriculture)	5,108
Illicit crop eradication	583
Municipal government auxiliaries	1,100
Forest rangers	200
Public safety auxiliaries	100
Road and street improvement	1,900
Total	14,309

Source: United Nations Development Programme (2006). "Los empresarios y la reinserción". *Hechos del Callejón*. Bogotá: UNDP.

**Table 14: Select Private Sector Contributions to Economic Reintegration**

<b>Company</b>	<b>Activity</b>
Cementos Argos	Training in brick-making and construction Support for chili pepper cultivation project 320 jobs
Bipro	Worm culture for organic fertilizers Partnership with USAID 10 production facilities providing 300 jobs
Impat	Internet kiosks to serve lower and middle-income markets 300 beneficiaries
Home Center	Inclusion of 70 ex-combatants into its suppliers' network
General Motors	Production of industrial uniforms for company 100 beneficiaries
Unnamed company	Production of children's clothing 180 jobs created
Colgalletas	Production of consumer foodstuffs 21 jobs created
Monarca	Recycling and processing of coffee harvest waste 600 participants
Unnamed company	Production of sugar cane ethanol and African palm bio-fuels 1,500 beneficiaries
Hipermercado	Incorporation of 500 ex-combatants into national supplier network for supermarket chain
AKT Motorcycles	Training for ex-combatants to be certified AKT automechanics

Source: Revista Dinero (2008). *Emprendimiento: Empresas por la Reconciliación*. 18 January. Bogota: Revista Dinero.

## Endnotes

- 1 Significant portions of this section are drawn from Guáqueta (2006).
- 2 See Romero (2003) and Indepaz (2008).
- 3 See Cardenas et al. (2005).
- 4 Radio broadcast on United Nations Radio, "Colombia es el país con más víctimas de minas" ["Colombia is the country with most landmine victims"], 4th December 2008.
- 5 See OAS (2007).
- 6 Uribe's Democratic Security Policy lays out a military strategy for progressively regaining control of territory and increased military and police capacity to combat armed groups. This is combined with increased efforts to eradicate illicit crops. For analysis of the Democratic Security Policy, see International Crisis Group (2003).
- 7 See Isacson (2006).
- 8 See González-Posso (2008).
- 9 See UNDP (2007) and UN ECLAC (2007).
- 10 See Montenegro (2006).
- 11 Ibid.
- 12 See Holmes et al. (2008).
- 13 See Cardenas (2005).
- 14 This section is based largely on a background paper by the Instituto de Estudios para el Desarrollo y la Paz (Salinas and González 2008), commissioned by International Alert.
- 15 The governments of the 24 countries present at the meeting formed the Group of 24 to follow through on commitments made in the London Declaration. The group is now comprised of 36 countries and various international organisations.
- 16 Departamento Nacional de Planeación (2003). Plan Nacional de Desarrollo 2002–2006: Hacia un Estado Comunitario. Bogotá: DNP.
- 17 See Salinas and González-Posso (2008).
- 18 For the text of the Declaration of Cartagena in Spanish see [www.hchr.org.co/documentoseinformes/documentos/internacional/DeclaraciondeCartagena.pdf](http://www.hchr.org.co/documentoseinformes/documentos/internacional/DeclaraciondeCartagena.pdf).
- 19 The objective of the Alliance is to influence international cooperation policies and frameworks so that they are oriented towards peacebuilding; human rights; international humanitarian law; the protection of peasants, indigenous and Afro-Colombian rights; sustainable and inclusive agrarian reform; environmental conservation; gender equity; and the strengthening of civil society. The Alliance formed a monitoring committee for the London-Cartagena process that received financial support from UNDP to carry out its work. See <http://www.alianzapostlondres.org> for more information.
20. In Colombia, region refers to areas of the country outside the capital and other main cities, and does not refer to international regions and sub-regions.
- 21 See Salinas and González-Posso (2008).
- 22 For more information, see [www.productosdepaz.com](http://www.productosdepaz.com).
- 23 See González-Posso (2007:3).
- 24 See Jones (2004).
- 25 See Rubin and Guaqueta. (2007: 21).
- 26 INCUAGRO is a financing mechanism for small-scale start-up agro-industrial enterprises partially owned by the national government.
- 27 See the documentary film *La Fumiga* by Indepaz, (2007).
- 28 See López et al. (2008).
- 29 See Swedish Fellowship of Reconciliation (2008).
- 30 See González-Posso (2007:4).

- 31 This section draws heavily on the work of Miguel Barreto (2007) from the University of Coimbra, Portugal, who carried out field research on the EU Peace Laboratory in Middle Magdalena in cooperation with the Bogotá-based think tank Centro de Recusos para el Análisis del Conflicto (CERAC).
- 32 See Katz (2004: 33).
- 33 See Garcia and Sarmiento (2002).
- 34 See World Bank (2002).
- 35 Ibid.
- 36 Ibid.
- 37 An investment phase is when the World Bank has deemed a project to have good prospects for long-term profitability.
- 38 See Garcia and Sarmiento (2002).
- 39 REPRODEPAZ is an umbrella network of entities that share a common interest in building a peaceful Colombia through social and community participation in local and regional processes of human development, in an inclusive, sustainable and equitable way. It serves as a coordination mechanism for civil society, convening and articulating regional programmes for peace and development initiatives. More information is available at <http://www.redprodepaz.org.co>.
- 40 See Departamento Nacional de Planeación (2008).
- 41 See Rudqvist and Van Sluys (2005).
- 42 See Barreto (2007).
- 43 Ibid.
- 44 Interviews with representatives of the Peace and Development Programme Magdalena Medio sub-office in San Alberto, Cesar, 23rd April 2008.
- 45 See Loingsigh (2005).
- 46 Barreto (2007).
- 47 See Mendez and Rivas (2008), p.10.
- 48 See Velasco (2006).
- 49 See Programa para la Reincorporación a la Vida Civil (2006).
- 50 See Mendez and Rivas (2008), p.14.
- 51 Information provided on the IOM Colombia website at [www.oim.org.co](http://www.oim.org.co). Accessed December 2007.
- 52 Many of Alert's Colombian partners have made their own efforts to make recommendations to the GoC and international community. See for example Mendez and Rivas (2008) and Salinas and Gonzalez-Posso (2008).
- 53 CERAC and International Alert (2009).



## References

- Agencia Presidencial para la Cooperación Internacional y Acción Social (2008). *International Cooperation Strategy 2007–2010*. Bogotá: Acción Social.
- Barreto, M. (2007). *Peace Laboratory of Magdalena Medio: A laboratory for peace?* Bogotá: CERAC.
- Business Monitor International (2007). *Colombia oil and gas report*. London: BMI.
- Cardenas, D (2005). *El biodiesel arroja sus frutos*. Bogotá: Ecopetrol.
- Cardenas, M., Cadena, X. and Caballero, C. (2005). *Análisis del incremento en defensa y seguridad: Resultados y sostenibilidad de la estrategia*. Bogotá: Fedesarrollo.
- CERAC and International Alert (2009). *The influence of armed conflict on the coffee value chain in the Department of Nariño, Colombia*. London: International Alert.
- Departamento Nacional de Planeación (2003). *Plan Nacional de Desarrollo 2002–2006: Hacia un Estado Comunitario*. Bogotá: DNP.
- Departamento Nacional de Planeación (2008). *Evaluación de impactos de los programas de paz y desarrollo y Laboratorios de Paz: Resultados de una línea base*. Bogotá: DNP.
- García, S. and Sarmiento, A. (2002). *Programas regionales de desarrollo y paz: Casos de capital social y desarrollo institucional*. Bogotá: Fundación Ideas para la Paz and UNDP.
- German Technical Cooperation (2007). *Cooperación entre el estado y la sociedad civil para el desarrollo y la paz*. Bogotá: GTZ/CERCAPAZ.
- Gómez, I. (2007). 'Sangre y palma en la selva perdida'. In L. Archila-Ruiz (Ed.). *El poder para ¿qué?*. Bogotá: Intermedio.
- González-Posso, C. (2007). 'La hora de la rectificación en la guerra anti-drogas'. *Punto de Encuentro*. Edición 43. Bogotá: INDEPAZ.
- González-Posso, C. (2008). 'La jeringonza de la guerra: El marco político del debate sobre justicia y paz.' In González L. 2008. Ed. *Ensayos de Paz*. Bogotá: INDEPAZ.
- Guáqueta, A. (2006). 'Doing business amidst conflict: Emerging best practices in Colombia'. In Jessica Banfield, Canan Gündüz and Nick Killick (2006). (Eds.) *Local business local peace: The peacebuilding potential of the private sector*. London: International Alert.
- Guáqueta, A. and Orsini, Y. (2007). *Business and reintegration: Cases, experiences and lessons*. Bogotá: Fundación Ideas para la Paz.
- Holmes, K., Fuelner, E., and O'Grady, M. (2008). *2008 Index of Economic Freedom*. Washington, D.C. and New York: Heritage Foundation and Wall Street Journal.
- Instituto de Estudios para el Desarrollo y la Paz – INDEPAZ (2008). *Parapolítica y congreso*. Bogotá: Indepaz.

- International Crisis Group (2003). "Colombia: President Uribe's Democratic Security Policy". *Latin America Report No.6*. Brussels: International Crisis Group.
- Isacson, A. (2006). *Plan Colombia: Six years later*. Washington, D.C.: Center for International Policy.
- Jones, J. (2004). *An overview of alternative development in the South American Andes*. Bogotá: UNODC.
- Katz, M. (2004). "Experiencia regional en paz: El programa de desarrollo y paz en Magdalena Medio". *Controversia*, No. 81. Bogotá: CINEP.
- Loingsigh, G. (2005). 'Laboratorios de Paz de la Unión Europea: ¿El Plan Colombia de Europa?', available at <http://www.prensarural.org/gol20051216.htm>, accessed 11th August 2008.
- López, L. et al. (2008). *Análisis de la cadena de valor del café y la influencia del conflicto armado en el departamento de Nariño Colombia*. London and Bogotá: International Alert and CERAC.
- Mendez, M. and Rivas, A. (2008). *Alternativas de generación de ingresos para desmovilizados: El programa de reinserción a la vida civil de la Alta Consejería para la Reintegración*. Bogotá: Fundación Ideas para la Paz.
- Montenegro, S. (2006). *Estimaciones pobreza e indigencia 2005*. Bogotá: Departamento Nacional de Planeación.
- Organization of American States (2007). *Tenth Quarterly Report of MAPP/OEA*. Bogotá: OAS.
- Programa para la Reincorporación a la Vida Civil (2006). *La política de reincorporación a la vida civil 2003–2006: Una mirada institucional*. Bogotá: Ministry of Interior, Government of Colombia.
- Rettberg, A. (2008). *Exploring the peace dividend: Perceptions of the impact of armed conflict on the Colombian private sector*. London and Bogotá: International Alert and Universidad de los Andes.
- Revista Dinero (2008). "Emprendimiento: Empresas por la Reconciliación". Bogotá: Revista Dinero. 18th January 2008.
- Romero, M. (2003). *Paramilitares y autodefensas, 1982--2003*. Bogotá: IEPRI-Planeta.
- Rubin, B. and Guaqueta, A. (2007). *Fighting drugs and building peace: Towards policy coherence between counter-narcotics and peacebuilding*. New York: Friedrich-Ebert-Stiftung.
- Rudqvist, A. and Van Sluys, F. (2005). *Informe final de evaluación de medio término Laboratorio de Paz del Magdalena Medio*. Brussels: ECO.
- Salinas, Y. and González-Posso, C. (2008). *Propaz: International cooperation for peace and development in Colombia*. Bogotá: Indepaz.
- Swedish Fellowship of Reconciliation (2008). *Carta informativa*. Bogotá: SweFOR.
- United Nations Development Programme (2006). "Los empresarios y la reinserción". *Hechos del Callejón*. Bogotá: UNDP.
- United Nations Development Programme (2007). *Human Development Report*. New York: UN.

United Nations Economic Commission for Latin America and the Caribbean. – ECLAC (2007). *Anuario Estadístico 2007*. Santiago: ECLAC.

United States Embassy (2008). *Estados Unidos apoya convenio de siembra de ají que beneficia a desmovilizados de Antioquia y Sucre*. U.S. Embassy Press Release: Bogotá Colombia. 23rd November 2008.

Velasco, M. (2006). *Participación del sector empresarial en la reinserción: Percepciones y oportunidades*. Bogotá: Fundación Ideas para la Paz.

Vice Presidencia de la República (2008). *Situación de los derechos humanos y derecho internacional humanitario*. Bogotá: Programa Presidencial para los Derechos Humanos y Derecho Internacional Humanitario.

World Bank (2002). 'Development and peace in the Magdalena Medio Region'. *Social Development Department Dissemination Notes No. 6*. Washington, D.C.: World Bank.

**International Alert.**

346 Clapham Road, London SW9 9AP, United Kingdom

Tel +44 (0)20 7627 6800, Fax +44 (0)20 7627 6900, Email [general@international-alert.org](mailto:general@international-alert.org)

[www.international-alert.org](http://www.international-alert.org)

ISBN: 8-955-8085-03-5