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Investing in rural people in **Colombia**

Since the 1990s, Colombia has experienced sustained, strong economic growth. However, it is one of the most unequal countries in the world. The gap between urban and rural areas is particularly wide. While the incidence of poverty is 27.8 per cent of the population at the national level, 40.3 per cent of rural people live in poverty. The percentage is even higher among indigenous peoples and communities of African descent.

The agricultural sector represents 6.1 per cent of Colombia's GDP and 16.3 per cent of employment. However, these figures could be even higher because the country has huge agricultural potential.

Over the last 25 years, the rate of growth in the agricultural sector has been only half the rate of growth in the overall economy. The cause of this stagnation in productivity is the lack of adequate production support policies, a disorganized land registration system and poor land use.

In many ways, this situation is linked to the 50-year conflict between the Colombian State and various guerrilla groups, which is estimated to have caused 218,000 deaths and 25,000 forced disappearances, and displaced 5.7 million people from their homes and lands. The rural population and economy have been adversely affected, with rural women bearing the brunt.



Colombia's 50-year internal conflict has massively impacted rural areas

Climate change is a serious threat to Colombia's agricultural sector, especially to small producers. Between 1998 and 2011, 90 per cent of natural disasters in Colombia were weather-related. Excessive rains linked to the *La Niña* phenomenon caused agricultural losses equivalent to 2.1 per cent of GDP in 2010-2011. Over the next few years, average temperatures are expected to rise and the average rainfall rate will decline, making agricultural activities harder.

Eradicating rural poverty in Colombia

There are high expectations following the imminent signing of a peace agreement between the Government of Colombia and the main guerrilla group, the Revolutionary Armed Forces of Colombia (FARC). Issues related to rural poverty and rural development have been high on the peace talks agenda and should play a significant role in post-conflict Colombia's political and social developments. A number of institutional changes are already under way to address the social and economic disadvantages rural areas and populations have been struggling with for decades.

The government's vision for post-conflict Colombia is aligned with IFAD's business model, as it emphasizes rural development coupled with an integral approach, including efficient land use, improved infrastructure, and the importance of family farming. The signing of the peace agreement is also expected to increase public and private investment in the rural sector, in projects geared to increasing small farmers' productivity and improving infrastructure and services.

The National Development Plan 2014-2018 states: "Building a stable and lasting peace necessarily involves the reduction of territorial and population disparities in living conditions and a more educated rural population."

In June 2014, negotiators in Havana made public the agreement on Comprehensive Rural Reform, which defines an ambitious agenda for rural development aimed at comprehensive social, economic and civic changes for the rural sector.

Foreseeing the need for those changes, in February 2014 President Juan Manuel Santos convened the Mission for Rural Transformation (*Misión Rural*, as it is more widely known), which produced a comprehensive body of policy advice organized into six strategies:

- social inclusion
- productive inclusion and family farming
- competitive agricultural sector
- environmentally sustainable development
- territorial planning
- institutional reform.

In December 2015, the President approved the *Misión Rural* report and issued a series of decrees that put into motion the institutional reforms within the agricultural sector.

Three new agencies – the National Land Agency, the Agency for Rural Development and the Agency for the Renewal of the Territory – were created to carry forward the ambitious reforms in the rural sector contemplated in the *Misión Rural* report and in the peace agreements.

IFAD's strategy in Colombia

IFAD's goal is to help ensure that post-conflict Colombia will see an expansion of opportunities for small farmers and rural microentrepreneurs, and a significant improvement in their welfare. In this regard, IFAD's two strategic objectives are:

- To help small farmers and rural microentrepreneurs significantly increase their productivity and income by strengthening their assets, organizational capacity, access to markets and access to public services.
- To strengthen the framework of rural public policies and institutions, with special emphasis on the local level.

IFAD is exploring with its partners innovative, strategic and replicable solutions to contribute to the development of rural areas, with a special focus on post-conflict areas and disadvantaged groups: youth, women, Afro-descendants and indigenous peoples. Once tested, IFAD puts forward these solutions so that they can be adopted by other development actors and turned into public policies in favour of small farmers.

Thus, IFAD's work is divided into three phases:

- innovation: using projects to test new approaches, methods, tools and practices
- systematization: monitoring and thoroughly evaluating processes and outcomes to extract useful lessons
- leverage: discussing with national and regional governments, new post-conflict agencies and the private sector to convince them to follow the lessons learned in IFAD operations.

Regarding climate change, IFAD is focusing its attention on three main issues:

- assisting high-risk areas in adapting to, and mitigating the effects of climate change
- tackling biodiversity loss, soil degradation and desertification
- finding solutions to address water shortage or flooding.

All this is being done by promoting climate-smart agricultural practices (ecological manure, soil conservation techniques and efficient water management) in IFAD-supported operations.

Peace talks between the government and FARC have placed rural development high on the public agenda

Colombia has huge agricultural potential



Ongoing operation

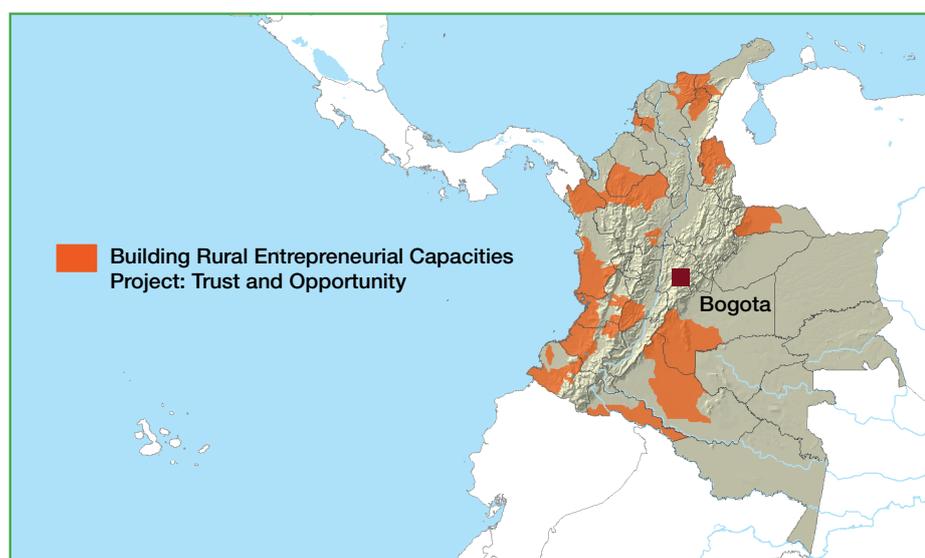
Building Rural Entrepreneurial Capacities Project: Trust and Opportunity

This project is broad in scope, and is aimed at tackling problems of inequality and poverty in rural areas, and promoting equal access to basic services, including rural financial services. It targets 50,000 rural families living in extreme poverty across 17 departments. Among these families are small farmers, indigenous groups, Afro-descendant communities, rural young people, families who have been forcibly displaced and households headed by women.

The overall goal of the project is to improve living conditions, income and employment in post-conflict rural areas. Specific objectives include:

- increasing the food security of families and communities
- building and improving human and social capital
- increasing rural poor families' access to services and assets so that they can improve their income and employment opportunities
- promoting learning processes, knowledge management, innovations and good management practices for regions and municipalities that invest in rural development.

The total cost of the project is US\$69.9 million, of which IFAD financing covers US\$30.5 million. An additional US\$19.9 million from the Spanish Food Security Cofinancing Facility Trust Fund is being channelled to the project through IFAD.



IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$17.7 billion in grants and low-interest loans to projects that have reached about 459 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

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For further information on rural poverty in Colombia visit the Rural Poverty Portal:
<http://www.ruralpovertyportal.org>



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