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# RURAL AND ECONOMIC DEVELOPMENT OFFICE

## OBJECTIVE

USAID's Rural and Economic Development Office (RED) is laying the groundwork for a sustainable peace by strengthening rural producer associations and value chains; increasing rural financial inclusion; promoting equitable and secure land tenure; and strengthening community organizations to help them become more effective advocates for their development priorities and participants in peace implementation.

Colombia is a complex country with many contrasts. While ranked by the World Bank as an upper-middle income country, half of all rural households still live in poverty. This is largely due to an armed conflict, lasting more than fifty years, that has devastated rural communities across the country. Despite the optimism surrounding the peace accord, the country will only truly be able to turn the page when various factors are met, including when rural Colombian communities are fully on the path towards inclusive economic growth.

## COMPONENTS

### RURAL AGRICULTURE AND LICIT VALUE CHAINS

By identifying commodities that have high economic potential, and then addressing sector challenges in targeted rural regions, RED is facilitating linkages between markets and rural producers. Activities focus on improving farm-to-market infrastructure, strengthening farming practices and skills development, promoting business and cooperative development, and increasing access to finance for rural producers.

Partnerships with Starbucks, as well as with the U.S. Department of Agriculture, are also focused on improving quality, yields, and incomes among Colombian coffee and cacao producers.

## **RURAL FINANCIAL INCLUSION**

RED incorporates a portfolio of programs aimed at raising and then channeling private capital resources into some of Colombia's most conflict-afflicted regions. These activities include the Rural Financial Initiative, which works with financial institutions to help them expand key services into rural regions; two private capital investment funds that provide equity investments for agribusinesses operating in rural and conflict-affected areas; and the Development Credit Authority loan guarantees, which incentivize financial services and credits to support sustainable agriculture, agribusiness and micro-, small- and medium-sized enterprises in rural municipalities.

## **EQUITABLE AND SECURE LAND TENURE**

Land insecurity has played a central role in the Colombian conflict and will play a critical role in any attempt to address it. In collaboration with Government of Colombia (GOC) land institutions and other actors, USAID supports the development of tools, systems, and skills, which enable the GOC to fulfill its mandate to resolve the sensitive issues of land restitution and titling. USAID supports GOC institutions in achieving their ambitious 10 year targets, which include issuing legal titles to 500,000 rural families, and restituting land to 360,000 conflict victim households.

## **COMMUNITY STRENGTHENING**

USAID works with community-based organizations in conflict-affected rural areas to strengthen citizen engagement across a wide variety of areas. This includes strengthening local organizations and their ability to advocate for their own developmental priorities; efforts to increase the engagement of community groups in the provision of public services and infrastructure; and helping said groups to become effective partners in the implementation of GOC post-conflict strategy activities, including those focused on alternative development.

## **RESULTS**

- \$30.2 million in additional sales across value chains since 2013.
- 170,000 new financial services clients since 2016.
- \$155.5 million in newly available credit or equity investments since 2016.
- 7,428 newly formalized properties since 2013.
- 1,792 kilometers of new or improved tertiary roads since 2013.
- 1,216 different social organizations supported to participate in citizen dialogue and community development events.