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**Executive Board  
First Regular Session**

**Rome, 20 - 22 January 1999**

# REPORTS OF THE EXECUTIVE DIRECTOR ON OPERATIONAL MATTERS

Agenda item 8

## PROGRESS REPORT ON DEVELOPMENT PROJECT COLOMBIA 2740.01

### Support to socio-economic activities and environmental protection in indigenous communities

Date approved	October 1993
Date plan of operations signed	15 July 1994
Date notification of readiness accepted	13 February 1995
Date of first distribution	April 1995
Duration of WFP assistance	Four years
Duration of project as at 30 June 1998	Three years and two months

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#### Cost (dollars)

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Total cost to WFP	8,010,000
Total food cost	7,000,000

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All monetary values are expressed in United States dollars, unless otherwise stated.



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The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

The WFP focal point for this document is:

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## PURPOSE OF THE PROJECT AND OF WFP ASSISTANCE

1. The project's long-term objective is to improve the living conditions of the indigenous population, as described in the Government's Economic and Social Development Plan, and assist in the integration of the indigenous population into the mainstream of Colombian society.
2. Its immediate objectives are as follows:
  - a) support the construction of social and productive infrastructure;
  - b) support the rehabilitation and protection of degraded micro-watersheds;
  - c) support income-generating activities through the provision of credit, technical assistance and training to indigenous enterprises; and
  - d) enhance local decision-making and advocacy in indigenous people.
3. Colombia's indigenous population represents two percent of the national total. According to the last census (1995), they continue to be one of the groups with the highest poverty levels and food insecurity indicators. For many years, indigenous people have suffered human rights violations in claiming their ancestral lands; more recently, they have been victims of increased internal strife, which has forced them to leave their lands and become part of the growing population of internally displaced people.
4. The project aims at contributing to the socio-economic development of 304 indigenous communities, representing approximately 50 percent of the country's indigenous population. WFP-supplied food consists of 50,000 tons of wheat. Seventy-six percent of the wheat serves to purchase local commodities to support food-for-work activities for the construction of basic social and productive infrastructure. The other 24 percent is used as "seed capital" for the establishment of a credit fund for the indigenous population, and provides funding for projects that are economically, environmentally and culturally viable. The credit fund is implemented by a local financial institution appointed by WFP. The Government has added a commitment of five million dollars to this fund, matching WFP money in the ratio of two to one.
5. The project covers nine departments (the highest administrative-political units) of a total of 33 that make up Colombia. These are located in extremely varied and biodiverse ecosystems (from high mountainous Andean regions to lowland savannah drylands). The project involves 15 different ethnic groups which, in addition to Spanish, speak eight indigenous languages.
6. The function of food aid is primarily an incentive and an income supplement. The commodities acquired through the exchange of WFP food aid constitute a strong incentive to project beneficiaries to participate in the selected activities, particularly during the dry season when rural unemployment is high. In view of the very low levels of income in these communities, food aid constitutes an addition to the household budget.



## IMPLEMENTATION

### Executing agency

7. The project is community-based and executed from the “bottom up”. The Social Safety Net of the Presidency of Colombia has assumed overall responsibility. This institution established a special Executing Unit within its structure to support the project and the indigenous communities. The Executing Unit receives additional funding from the Government through a UNDP umbrella project (COL. 92/007).
8. Activities are planned at the community level. These plans are then submitted to the local councils, and coordinated by representatives of local entities and official delegates of the indigenous communities for discussion and approval. During the implementation of works, different executing institutions and the regional coordinator of the Executing Unit provide guidance and follow-up.
9. The total number of staff involved in the project is 100. At the national level the project is staffed by a Project Director/Coordinator, one administrative assistant, and seven area specialists. At the local level there are 32 staff members of indigenous origin with technical expertise. Project authorities have placed a strong emphasis on delegating more responsibility to the indigenous organizations. The integrated approach in the assistance given to these organizations has been of vital importance in the project’s implementation.
10. The Government, through the UNDP umbrella project, finances the operating expenses of the Executing Unit. The funds from the UNDP project also cover office premises, equipment and supplies, support services, and vehicles and their maintenance costs.

### Beneficiaries

11. Planned project beneficiaries number 32,560 households; of these, 61 percent benefit from food-for-work activities and 39 percent from credit.
12. Project beneficiaries in the food-for-work component to date amount to 12,350 households, 62 percent of the target. A total of 6,646 households benefit from the credit component. Women and their families have greatly benefited from increased food consumption by participating in the project through the food for work scheme and by an increased production as a result of the emphasis placed on subsistence plots managed by women.

## FOOD MANAGEMENT

13. A cost-efficient feature of the project is the sale of wheat for the purchase of locally produced food such as rice, canned fish, vegetable oil, panela (sugarcane juice), pulses and salt. The purchase of these products has been an incentive to local production and markets. The food basket is consistent with the traditional food habits of the indigenous populations.
14. WFP commitment to the project was originally 50,000 tons of wheat. A budget revision was approved to substitute wheat for rice. At 30 June 1998 (with 80 percent of the initial duration of the project completed), the project had received 39,075 tons, or 78 percent of total commitment, leaving a balance of WFP’s wheat contribution of 10,925 tons.



15. Before 1997, the wheat was sold by the Government Marketing Agricultural Institute (IDEMA). Since 1997, Almagrario S.A., a publicly owned entity, has taken over the process, with excellent results. These are shown in Table 1 below. The product was sold in the agricultural stock market and/or directly to mills. Almagrario transfers the funds generated to WFP, which manages the funds through trusteeships.

**TABLE NO. 1 SHIPMENTS TO DATE**

Date shipment arrived	Commodity	Actual quantity (tons)	C.i.f. value (dollars)	Proceeds	Percent
Mar-94	Wheat	25 000	4 125 036	4 586 144	111
Sep-96	Wheat	5 575	1 080 200	1 019 100	94
April-98	Rice	1 510 <sup>1</sup>	502 830	517 930	103
May-98	Wheat	5 500	1 017 500	1 167 945	115
<b>Total</b>		<b>39 075</b>	<b>6 725 566</b>	<b>7 291 119</b>	<b>108</b>

<sup>1</sup> This is the equivalent of 3,000 tons of wheat at FOB WFP value-based rates.

16. Prior to the commencement of infrastructure works, the technical assistance teams, local governments and each community sign agreements for executing activities. A local supervising committee monitors and ensures that the works are carried out as planned and a consolidated report of workdays performed is produced quarterly. At the local level, through the Regional Coordinator, several (more than three) suppliers are invited to bid on a specific number of food rations.
17. Of a total of 1,819,165 workdays undertaken by project beneficiaries, 21 percent were carried out during the first year, 29 percent during the second year, and 50 percent during the third and part of the fourth year. Food distribution took place in these same ratios each year.
18. The project has respected and promoted local food production on traditional subsistence plots to guarantee the food security of indigenous families in periods of scarce food availability. Anthropologically oriented monitoring and evaluation of the activities with each ethnic group have been recorded, and special attention is being paid to sustainability factors in the family subsistence plots.

## Resource management

19. Some of the most replicable elements of WFP-Colombia's experience in resource management are:
- a) Optimization of available resources via speedy disbursement processes; this ensures that all money available for certain activities is used and not lost to bureaucratic requirements. Highly professional management, which ensures that interest gained reverts to the project, protects purchasing value;
  - b) Joint management via substantive and administrative committees;
  - c) Resource mobilization;
  - d) Solid introduction of a new management tool trust funds;



- e) Self-financing;
- f) The WFP office in Colombia has developed and is implementing three major projects, including the one under consideration, to reach marginal communities, the backbone of Colombian society. This has been done by introducing innovative modalities, which have given WFP considerable recognition for its critical contribution;
- g) A total of 115 indigenous organizations have received credit amounting to 3.8 million dollars, to consolidate their productive projects. These include a milk processing plant, a small cattle farm, a medical and spice drying plant, organic coffee production and a food production scheme. For the first time, there has been a governmental institution dedicated to assisting indigenous communities with credit projects aimed at involving them in managerial tasks and market-oriented small and medium-sized enterprises. Women directly manage 12 percent of total organizations that have received credit; these loans are oriented to family food production projects. It is still difficult to determine at this stage whether socio-economic conditions of the credit beneficiaries have improved.

## GOVERNMENT'S CONTRIBUTION

### Credit fund

20. The Government of Colombia has committed five million dollars to the credit fund and still has an outstanding balance of one million dollars. The credit fund is administered by an experienced fiduciary institution.

<b>TABLE NO. 2 GOVERNMENT CONTRIBUTION TO THE CREDIT FUND (dollars)</b>						
<b>Year</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>Total</b>
Commitment	398 200	1 263 100	2 305 400	1 033 300		<b>5 000 000</b>
Actual	356 119	1 270 000		2 056 213	400 000	<b>4 082 332</b>
Percentage	89	105		199		<b>82</b>

### Sustainability

21. As explained above, the Government through UNDP Project COL/92/007 has funded all technical assistance, which is being provided to the project with a contribution of seven million dollars to date. The importance given to the continuity of project support to indigenous communities can be seen from the commitment of the Government to continue financing the technical assistance, even after termination of WFP assistance. A government contribution of 13 million dollars is projected for the next four years. Strong emphasis has been placed on capacity-building of indigenous organizations and sustainability through an NGO that comprises indigenous people as members.



## Government contribution to infrastructure

22. All activities carried out under the food-for-work component have had a strong co-financing from local (municipal and indigenous organizations) and regional governments. On the average, WFP resources have mobilized counterpart government resources in the ratio of 1:6. The presence of WFP assistance in these remote areas enables local communities to put pressure on their local decision-making institutions in order to obtain co-financing for their priority projects.

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## EXTERNAL ASSISTANCE

23. Through UNDP Umbrella Project COL/92/007 “Support to the Development of Indigenous Communities”, the Government transfers resources to provide the technical assistance needed to achieve the objectives of project Colombia 2740.01.
24. ILO contributed 4,400 dollars to an indigenous organization engaged in the production and sale of dried herbs. The assistance consisted in providing direct training support to the indigenous organization in aspects such as administration and accounting.

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## ASSESSMENT

25. Planned targets in most of the food-for-work activities have been exceeded, both in physical units executed and in the workdays deployed. Of the total workdays, 9.1 percent were utilized on productive infrastructure; 30 percent on basic sanitation infrastructure; 5.4 percent on basic social infrastructure; 28 percent on road infrastructure; 26 percent on environmental protection and conservation and 1.5 percent on training. This shows that activities have been oriented towards favouring basic sanitation and productive infrastructure, which responds to the needs and priorities set and identified by the indigenous communities.
26. WFP has contributed to the establishment of a Special Credit Fund—the first of its type in Colombia—by financing strategic economic development projects that are contributing to modifying the subordinate structures of indigenous communities.
27. The project has reached 80 percent of its planned target for workdays; but it has already exceeded the planned target in activities such as aqueducts, road improvement, bridges, multipurpose centres and irrigation systems.



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## CONCLUSIONS AND RECOMMENDATIONS

28. Indigenous women have taken advantage of the different productive and technical activities during the project's implementation. This has opened to them the possibilities of participating in the technical assistance teams and of becoming involved in the various committees at the local and regional level. Indigenous women have also participated in the management of cooperatives which have received credit.
29. In all the regions, indigenous organizations have received resources from the food-for-work activities and credit funds. With this support, organizations have been strengthened and their internal capacity-building structures have been improved.
30. WFP assistance has been a catalyzing factor in mobilizing external resources.
31. The Government is replicating, with its own resources, the process of local decision-making, resource mobilization and integrated local assistance teams, in order to reach indigenous populations which are not being assisted through this project.
32. Essential ingredients for credit projects to succeed have been the close monitoring of the credit fund, and integrated assistance to and training of beneficiaries. Loans granted have been relatively large and credit recovery to date has been good.
33. More emphasis should be placed on directing future assistance to those indigenous groups that lack strong organizational structures, but have land or subsistence plots and live in conditions of extreme poverty, with practically no current governmental assistance.
34. The evaluation report on WFP support to indigenous communities in Latin America (WFP/EB.1/98/5/2) recommended the Colombian case as an example of clear and increased indigenous participation at the decentralized level. The report underlined the importance of the communities taking charge of the institutional activities in order to meet their priority needs.





**COMPARISON OF TARGETS AND ACHIEVEMENTS**

**ANNEX**

Activity	Unit	Physical target according to plan of operations	Physical target according to plan of operations, prorated to 30 June 1998	Physical target as at 30 June 1998	%	Workdays according to plan of operations	Workdays according to plan of operations, prorated to 30 June 1998	Workdays achieved as at 30 June 1998	%
Aqueducts	No. of houses connected	2 200	1 741.7	21 261	1 221	85 662	67 815.8	305 906	451
Sewage systems	No. of houses connected	14 800	11 716.7	13 303	114	273 652	216 641.2	205 972	95
Latrines	No.	11 530	9 127.9	2 802	31	103 761	82 144.1	42 030	51
Water-supply	No.	81	64.1	–	–	105 057	83 170.1	–	–
Roads	Km	626	495.6	867	175	751 220	594 715.8	449 469	76
Improvement of bridges	No.	74	58.6	116	198	39 812	31 517.8	62 408	198
Irrigation systems	No.	23	18.2	55	302	60 790	48 125.4	83 403	173
Multipurpose centres	No.	326	258.1	210	81	127 792	48 125.4	82 320	171
Communal buildings	No.	642	508.3	595	117	312 654	101 168.7	97 956	97
Tree nurseries <sup>1</sup>	No. of plants	N.A.	N.A.	2 825 500	N.A.	200 000	247 517.8	174 186	70
Reforestation <sup>1</sup>	Hectare	N.A.	N.A.	2 680	N.A.	597 600	473 100	189 650	40
Other environmental activities <sup>1</sup>	N.A. <sup>2</sup>	N.A.	N.A.	N.A.	N.A.	300 000	237 500	105 550	–
Training	Event	1 724	1 364.8	965	71	42 000	33 250	20 315	61
<b>Total</b>						<b>3 000 000</b>	<b>2 264 792.1</b>	<b>1 819 165</b>	<b>80</b>

<sup>1</sup> The information on conservation and management of natural resources sent by project authorities has not been divided into modules as originally conceived in the plan of operations.

<sup>2</sup> N.A.: not available.