APPI HUMAN DEVELOPMENT PROGRAMME

UNDP, IN COLLABORATION WITH UNOPS INTERNATIONAL SERVICES

IN COLOMBIA
**Duration of activities**

The Programme began in August 2003 and was ongoing as of December 2003.

**National coordination**

The national institution responsible for the project is the Ministry of Commerce, Industry and Tourism, through the Vice-Ministry of Business Development and the Directorates of Small and Medium-Sized Enterprises, Productivity and Competition, Promotion of Business and Business Culture. The Vice-Ministry of Business Development and the United Nations Development Programme (UNDP) set up the National Project Coordination Committee, which is made up of representatives of Colombian Small Businesses Association (ACOPI), the Colombian International Cooperation Agency (ACCI), the National Planning Department (DNP), European decentralised cooperation, the Departmental Governments of Antioquia, Santander and Nariño, and the Municipality of Pasto.
**Key features**

The Programme stemmed from collaboration between UNDP and the territorial network of cooperation institutions in Colombia. It sets out to shape a new type of multilateral cooperation agreement involving territorial institutions in active promotion right from the outset.

All the institutions agreed that the Programme should operate in the Departments of Antioquia, Nariño and Santander. However, just six months after its launch, the considerable amount of interest and requests from other parts of the country prompted the Ministry of Commerce, Industry and Tourism to ask UNDP to extend the Programme’s technical assistance activities to the Departments of Boyacá, Valle del Cauca, Cesar and Caldas.

In August and September 2003, the Programme was presented to the authorities of the Departments of Nariño, Santander and Antioquia. Local coordination and departmental government contributions were defined. Then, national administrative elections were held on 26 October 2003. New governors were elected in the departments and new mayors in the main cities of Colombia, who took office in December. They all showed interest and confirmed the commitments made by the previous administrations. In particular, the financial contributions to the project, amounting to USD 120,000, were reconfirmed.

**Governments involved in cooperation**

Italy.

**Territorial actors**

The process of establishing economic development agencies in the Departments of Nariño, Antioquia and Santander began in August 2003. Members include local public and private operators, and associations of the respective departments. The agencies will play a leading role in the territorial implementation of the project and will represent points of reference for setting up international partnerships.

**Territorial partners**

- Economic development agencies of the Departments of Nariño, Antioquia and Santander
- Emilia-Romagna Region, Provinces of Trento, Parma, Modena, and Cremona; Municipalities of Modena, Crema, Parma, Trento and Brescia.

**Funding**

The Italian Government contributed USD 364,000 through the Anti-Poverty Partnership Initiative (APPI)/UNDP Trust Fund; the UNDP representative office in Colombia contributed USD 100,000; ACOPI contributed USD 30,000; Italian decentralised cooperation committees contributed USD 100,000; the Departmental Government of Antioquia contributed USD 30,000; the Departmental Government of Nariño contributed USD 30,000; the Departmental Government of Santander contributed USD 30,000; and the Municipality of Pasto contributed USD 30,000.
OVERVIEW

The Preparatory Assistance Project for the promotion of socio-economic development in Colombia aims at launching a local development framework programme promoted by the Colombian Government and coordinated by UNDP, with the technical and financial collaboration of numerous donor countries and international cooperation organisations.

The initiative developed through a series of exchanges among national authorities, local public and private institutions, and trade associations from Colombia and European countries. These exchanges, which began independently some years ago, concerned mainly local socio-economic development and territorial management. In particular, in January 2003, a network of Colombian and Italian territorial institutions was established with the aim of intensifying decentralised cooperation initiatives. In Italy, the network includes: the Municipalities of Modena, Crema, Parma, Trento and Brescia; the Provinces of Trento, Parma, Modena and Cremona; the Emilia-Romagna Region; and various social organisations, such as the Pluriverso consortium and the universities of Modena and Pavia.

In 2002, the UNDP representative office in Colombia linked up with the Colombian network initiatives, which were aimed primarily at the promotion of local economic development and decentralised cooperation. In collaboration with interested parties, UNDP agreed to draw up a national framework programme to enhance the current exchange of experiences, incorporating them within the framework of Colombian Government priorities and policies, and involving other national and international organisations.

Therefore, towards the end of 2002, at the request of the UNDP representative office in Bogotá, the APPI/UNDP Trust Fund Management Unit undertook an exploratory mission to Colombia to assess the feasibility of the initiative. During the mission, the Programme’s goals, content and strategy were defined with the Colombian Government with a view to promoting local socio-economic development in Colombia.

The government suggested activities should start in the Departments of Nariño, Antioquia and Santander, whose local governments had already developed decentralised cooperation partnerships with their Italian counterparts. These local governments had also shown an interest in creating regional partnerships between the public sector, businesses, universities and civil society associations. These three departments were also characterised by a different degree of economic development, based on small and medium-sized enterprises (SMEs) of various types and different management culture.

The national institution responsible for the Programme is the Ministry of Commerce, Industry and Tourism. Through the Directorates of Small and Medium-Sized Enterprises, Productivity and Competition, Promotion of Business and Business Culture, the Ministry of Commerce directs and monitors national policy on productivity and competitiveness, and applies it to the departments of the country. The Ministry delegated national coordination of the initiative to the Vice-Ministry of Business Development. ACCI and DNP are also taking part in the Programme.

Moreover, participation by ACOPi at the national level guarantees the involvement of SMEs operating in the three departments. ACOPi, an association of important regional economic enterprises, plays a fundamental role in involving the private sector in the processes of local economic development, and it promotes business associations as a factor for greater regional competitiveness. ACOPi’s Programa de Desarrollo Empresarial Sectorial (PRODES) represents a key ally in the promotion of socio-economic development in the departments.

Bearing in mind the limited financial resources available and that the operations were still in their initial phase, it was agreed that a preparatory assistance project be drawn up jointly with interested parties, coordinated by UNDP, and developed in conjunction with the network. All organisations taking part contributed funds to the project.

The project was launched at the beginning of August 2003, with the arrival in Colombia of an international UNDP consultant to take charge of coordination. It will last 12 months, during which time the framework programme in aid of local socio-economic development in Colombia will be formulated, with the active participation of all interested parties and through action research. The framework programme will represent an operational strategy for directing national policies in conjunction with regional initiatives. The programme is an instrument for constructing alliances with national and international institutions to raise funds and boost local development processes. Moreover, the framework programme aims to be a point of reference for the promotion of decentralised cooperation partnerships.
OPERATIONAL AND MANAGEMENT STRUCTURES

The Preparatory Assistance Project operates at the international, national and local levels. At the local level, it has set up pilot schemes in the Departments of Antioquia, Nariño and Santander. Bearing in mind the high level of interest and demand from the other regions of the country, and, indeed, the Ministry of Commerce, it was decided to extend technical assistance activities to the Departments of Boyacá, Valle del Cauca, Cesar and Caldas.

The national institution responsible for the Programme is the Ministry of Commerce, Industry and Tourism, through the Vice-Ministry of Business Development and the Directorates of Small and Medium-Sized Enterprises, Productivity and Competition, Promotion of Business and Business Culture. ACCI and DNP are also taking part in the Programme.

The Vice-Ministry of Business Development and UNDP also set up and convened a national coordination committee. In September 2003, the National Coordination Committee approved the first plan of operations, covering the period from September 2003 to March 2004.

The institutions responsible for the project at the local level are the Departmental Governments of Santander, Antioquia and Nariño, and the Municipality di Pasto. Initial activities in each department involved establishing collaboration between the local governments and public and private institutions, including numerous universities, chambers of commerce, private businesses and local welfare structures.

In each department, the institutions responsible for coordinating initial activities were identified: the local economic development agency (LEDA) (established in February 2003 by the Municipality of Pasto) in the Department of Nariño; the departmental secretariat of productivity and competitiveness in the Department of Antioquia; and the Regional Trust Fund Directorate, a local public financial institution, in the Department of Santander.

In the first two months, the project carried out coordination activities at the UNDP representative office in Bogotá. Since 15 October 2003, it has been operating from its own offices, which it shares with the United Nations Human Settlements Programme (HABITAT). A technical assistant and an administrative assistant have been hired. In the departments, the project operates within the institutions responsible for local coordination.

RESULTS OF INTERNATIONAL ACTIVITIES

The Preparatory Assistance Project was developed by UNDP, together with the territorial network of cooperation institutions in Colombia, and in collaboration with other international initiatives in aid of human development programmes and poverty reduction. Initially, collaboration was established with the International Labour Organization (ILO) / Universities Programme, which assists economic development processes in countries through research and training, and the initiative Innovations for Development and South–South Cooperation (IDEASS) of UNDP/ILO/United Nations Office for Project Services (UNOPS). Moreover, it has received support from the UNDP/UNOPS programme on education and training, information and documentation, and decentralised cooperation, known as EDINFODEC, in the promotion of decentralised cooperation in Italy.

The Rome APPI/UNDP Management Unit went on a first mission to Colombia in August 2003, with the aim of providing technical assistance for the start-up phase and the formulation of a first plan of operations. During the mission, procedures were established for activating European decentralised cooperation by the UNDP/UNOPS EDINFODEC Programme, launching the IDEASS initiative, and providing training activities for project staff. The mission involved meetings with the project’s international coordinator, UNDP officers responsible for monitoring the Programme, and national authorities such as the Vice-Minister for Business Development and the heads of the Directorates of Small and Medium-Sized Enterprises, Promotion of Business and Business Culture. The mission also included a visit to the Department of Nariño, where meetings were held with the governor, the mayor of Pasto, businesspersons and LEDA staff. A one-day workshop was organised to present the project’s operational procedures.

IDEASS activities were presented in Bogotá through meetings with Maria Cristina Dussan, director of the Educational Research Centre; Francisco Cajiao, an expert in pedagogy and a consultant for the Federación Andina de Fomento, and Héctor Martinez, a Colombian paediatrician and inventor of the kangaroo mother method. Discussions at the
meetings then focused on identifying Colombian innovations to promote internationally through IDEASS. A mission to Albania was also organised for Hector Martinez as the Albanian Ministry of Health was interested in adopting the kangaroo mother method in the country’s hospitals. In order to implement the IDEASS initiative in Colombia, the international coordinator also organised other meetings with Eduardo Posada Florez, president of the Colombian Association for the Development of Science, which was willing to take on the role of national IDEASS secretariat for Colombia. Work is under way on the first brochures promoting particularly interesting Colombian innovations.

From 23 September to 3 October, the international consultants Giancarlo Canzanelli (ILO) and Giacomo Mariscotti (Italian Business Confederation) undertook a mission to Colombia to promote the project in the Departments of Antioquia, Nariño and Santander. With the support of these international experts and in collaboration with the national and local authorities, a two-day workshop was organised in each departmental capital: Pasto, Medellin and Bucaramanga. The workshops were attended by local public institutions, entrepreneurs, and representatives of the universities. The purpose of the workshops was to promote interest and participation in the project by the greatest possible number of social and economic operators in the departments.

Giacomo Mariscotti’s mission was originally scheduled to end on 22 October but was extended to 21 November at the request of the directorates of the Vice-Ministry of Business Development in order to provide the Ministry with technical assistance in the area of productivity and competitiveness of SMEs.

In November 2003, the mayor of Crema, Claudio Ceravolo, also visited Colombia. He held meetings with local authorities and entrepreneurs from the Departments of Antioquia and Boyacá, within the framework of the Semana del Empresario y del Exportador, organised by the Directorate for Promotion of Business and Business Culture (Ministry of Commerce, Industry and Tourism). The mayor of Crema presented Italian experiences of territorial pacts and illustrated the importance of pacts in the promotion of industrial estates. In particular, the experience of the closure of the Olivetti factory in Crema was used to highlight the importance of pacts in finding solutions to territorial redundancy situations. The initiative aroused great interest among business people, and central and local public administration officers.

Results of National Activities

On 16 September 2003, the first meeting of the National Project Coordination Committee was held in the UNDP offices of Bogotá. The meeting was attended by the Vice-Minister for Business Development, Carlos Alberto Zarruk, the head of the Directorate of Small and Medium-Sized Enterprises, representatives of the local governments of Antioquia, Santander and Nariño, and UNDP Bogotá. The purpose of the meeting was to formally establish the National Coordination Committee and to analyse and approve the first plan of operations, presented by the project management, for the period August 2003 – March 2004.

At the meeting, the Vice-Minister recommended including project activities within the framework of the national policies defined by the government and coordinated by the Vice-Ministry. In particular, he recommended establishing project activities in conjunction with the Comité Asesores Regionales de Comercio Exterior and the Consejos Regionales de Mipymes, which represent joint decision-making mechanisms activated by the Ministry in all departments. Bearing in mind the yearlong duration of the Preparatory Assistance Project, the Ministry also decided that the next framework programme should last for a period of 3–5 years. One of the fundamental activities of the preparatory phase involves raising funds to implement the framework programme, which the government hopes to extend to other departments of the country.

At the request of the Ministry of Commerce, Industry and Tourism, following the advice of the international expert Giacomo Mariscotti, a programme was developed to support the directorates of the Vice-Ministry in the analysis of Colombian legislative and programming instruments for the promotion of productivity and competitiveness of SMEs, including the organisation of refresher schemes. Consultation took place from 4 to 21 November at the offices of the Vice-Ministry, and involved the Directorates of Tourism, Small and Medium-Sized Enterprises, Productivity and Competition, and Promotion of Business and Business Culture.

Competitiveness agreement proposals from the directorates were analysed and signed by the economic operators of more than 40 Colombian departments, highlighting the potential and the drawbacks of these joint decision-making instruments. In particular, it was recommended that
the Vice-Ministry promote greater coordination between national and territorial policies (in view of the huge proliferation of informal and national uncoordinated local initiatives), rationalise public measures so as to integrate policy formulation with the provision of funds, and increase the efficiency of national and local services in backing SMEs.

Mr Canzanelli and the Ministry of Commerce, Industry and Tourism agreed to create a national diploma in territorial marketing within the framework of the Emprendedores Colombianos programme, which provides business people with instruments for reactivating production and services enterprises. The course, consisting of seven one-week modules, will be developed in 2004, in collaboration with Colombian universities and the ILO/Universitas Network, which will supply teachers and help local authorities to define didactic programmes that are most suited to the needs of the country. The course proposal was presented at a workshop held in Bogotá organised by the Directorate for Promotion of Business and Business Culture, and it was agreed to create a chair of enterprise creation.

The project also took part in the Semanas del Empresario y del Exportador organised in Bogotá, Neiva, Medellín, Barranquilla, Valledupar and Tunja, by the Directorate for Promotion of Business and Business Culture. During the events, a presentation was given of the experiences of the territorial pacts promoted by the EU, and Italian and Spanish experiences in creating industrial estates, which aroused much interest in the public and private sectors and the universities. The directorate representatives were especially interested in the experiences of the city of Crema (Italy), presented by the mayor, Claudio Ceravolo, because of its relevance to the problems of industrial regeneration faced by Colombia in some departments, especially Boyacá.

On 17 November, in Bogotá, with the backing of the international expert, Mr Mariscotti, a workshop was held to set up a national credit group. The group's task is to define regional credit programmes suited to the social and economic contexts of the territories, and provide innovative credit instruments and the necessary resources. The meeting was attended by: the general manager of the Instituto de Desarrollo de Antioquia (IDEA); the general manager of the Fondo Regional de Garantía de Santander (FGS); the commercial manager of BANCOLDEX, which the government charged with drawing up incentive policies for the creation of new businesses; the director of the Fundación de la Unión de Bananeros de Urabá (FUNDIUNIBAN); the Nariño LEDA; and the European Commission Cooperation Delegation for Colombia and Ecuador.

At the meeting, an analysis of the Colombian credit system for industry revealed that the banking system was unable to satisfy the financial needs of the business community. Entrepreneurs, in fact, report great difficulty in accessing the few available resources. Discussion focused on the possibility that the future departmental LEDAs could complement the national and regional trust funds services, and help SMEs access loans. The credit group set up a programme of national meetings to extend the participation of departmental actors, with a view to defining jointly the most effective procedures for LEDA credit support.

Given the general interest caused by the project, the Ministry offered to focus investment in the Departments of Antioquia, Nariño and Santander, and extend technical assistance to other interested areas.

RESULTS OF LOCAL ACTIVITIES

In the first few months, with the backing of the Directorate for the Promotion of Business and Business Culture, the project’s instruments and methods were presented in the Departments of Antioquia, Nariño and Santander. At the request of the Ministry, technical assistance was also given to the Departments of Boyacá, Cesar and Valle del Cauca.

In the Departments of Antioquia and Santander, specific presentation activities also took place in certain subregions, with characteristics differing from the benchmark metropolitan areas. These were East Antioqueño and Urabá in the Department of Antioquia; and Magdalena Medio and the Province of Velez in the Department of Santander.

During the start-up phase, institutional management at the local level was defined together with the local authorities. Operational instruments to be promoted by the project were also established, such as the territorial pacts and the LEDAs. Activities were complicated by the impending nationwide local elections, held on 26 October 2003. New governors were elected in all departments and new mayors in all the main cities of Colombia. Therefore, the project’s institutional and operational strategies were established with the new authorities, which confirmed the commitments made by their predecessors, including promises of funds.
and Business Culture, local authorities, ACOPI and the Comité Asesor Regional de Comercio Exterior, a two-day workshop was organised to define methods and instruments for identifying the endogenous potential of the department, and prioritising a value chain. The workshop also examined the structure of the agency set up by the Municipality di Pasto with a view to reorganising and extending its operations to the entire department. Held at Pasto’s Mariana University, the workshop was chaired by the mayor of Pasto and led by Mr Canzanelli. It was attended by 70 representatives of the municipal and departmental administrations, ACOPI, universities, local business people and the main economic and social associations.

During the workshop, a work schedule was defined for signing the territorial pact in January 2004 with the new local authorities that had taken office after the local elections. Four working groups were set up and they began work immediately. The first group was responsible for defining a proposal for the reorganisation of the agency with a view to extending its functions throughout the department, expanding membership, and making any necessary statutory changes. The second group was responsible for identifying the territory’s value chain and prioritising them. The third group was responsible for defining the terms of reference for setting up a trust fund, which will be one of the agency’s most important instruments. A fourth working group was given responsibility for drafting a departmental marketing document, to be distributed both nationally and internationally for the promotion of territorial partnerships.

All groups stated that their work would be completed by the end of January 2004, so that the local socio-economic development instruments could be launched on schedule in the first half of 2004. By October, the general assembly of the agency had already amended the statute, approved expansion of membership and given the agency a new name to emphasise reorganisation.

In November, meetings were held with the new governor of the Department of Nariño and the new mayor of the Municipality of Pasto, and their respective cabinets. Both departmental and municipal administrations confirmed their desire to go ahead with the project and guaranteed their commitment to raising the financial resources defined with previous administrations. They also declared their commitment to signing the territorial pacts, as scheduled, by the end of January 2004.

RESULTS IN THE DEPARTMENT OF NARIÑO

The Department of Nariño has an area of 33,268 km², and lies in the southwest of the country. It borders the Department of Cauca in the north, the Republic of Ecuador in the south, the Department of Putumayo in the east and the Pacific Ocean in the west. The territory can be divided into three clear parts: forests to the east, the Andes in the centre, and the Pacific coastal plain. The territory largely covers the area of an ancient Inca province, as evidenced by the numerous archaeologica sites and the indigenous majority of the population. The total population is about 1,720,000 inhabitants. The department is divided into 62 municipalities. 45 percent of the population lives in urban areas, while 55 percent live in rural areas. The Department of Nariño is a border region with commerce, transport and tourism accounting for 61 percent of its gross domestic product (GDP). Although most of the population are active in growing crops (potatoes and wheat) and breeding animals, agriculture produces only 29 percent of the GDP. Industry is of slight importance (9 percent).

In the last three years, the administration of the Municipality of Pasto, the departmental capital, has assisted the process of collective public participation by setting up “cabildos municipales”. These organisations involve the whole population of the city and some nearby towns in determining the municipal budget. It is the first time that this approach has been adopted in Colombia, and it is based on the internationally renowned experience of the Municipality of Porto Alegre in Brazil. These project procedures, involving the use of instruments and services and the active participation of all parties, attained a high degree of consensus in the Department of Nariño, where joint decision-making experiences were already in progress. In 2002, inspired by experiences in Italy, the Pasto municipal administration set up the “Pasto 550 años” agency, with the participation of the public, private and social sectors.

In August 2003, the project was presented to all institutional, social and economic operators in the Department of Nariño. In particular, in view of plans to extend the functions of the Pasto municipal development agency to the entire department, involvement in the project was extended to the departmental government authorities.

From 25 to 27 September, in collaboration with the Ministerial Directorate for the Promotion of Business and Business Culture, local authorities, ACOPI and the Comité Asesor Regional de Comercio Exterior, a two-day workshop was organised to define methods and instruments for identifying the endogenous potential of the department, and prioritising a value chain. The workshop also examined the structure of the agency set up by the Municipality di Pasto with a view to reorganising and extending its operations to the entire department. Held at Pasto’s Mariana University, the workshop was chaired by the mayor of Pasto and led by Mr Canzanelli. It was attended by 70 representatives of the municipal and departmental administrations, ACOPI, universities, local business people and the main economic and social associations.

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All groups stated that their work would be completed by the end of January 2004, so that the local socio-economic development instruments could be launched on schedule in the first half of 2004. By October, the general assembly of the agency had already amended the statute, approved expansion of membership and given the agency a new name to emphasise reorganisation.

In November, meetings were held with the new governor of the Department of Nariño and the new mayor of the Municipality of Pasto, and their respective cabinets. Both departmental and municipal administrations confirmed their desire to go ahead with the project and guaranteed their commitment to raising the financial resources defined with previous administrations. They also declared their commitment to signing the territorial pacts, as scheduled, by the end of January 2004.
Members are in the process of defining the new structure of the Nariño economic development agency, which will be based in Pasto. It will cover the entire department and operational offices will be opened in most of the 62 municipalities. The Municipalities of Ipiales, Tumaco and Samaniego have already voiced their interest in opening LEDA desks in their offices.

Characteristics of the LEDA of Nariño

LEDA – Agência de Desarrollo Local de Nariño

Established: 30 May 2002

Agency members
- Departmental Government of Nariño,
- Pasto Municipal Administration,
- Dioceses of Pasto,
- Mariana University,
- Nariño University,
- Cooperative University,
- Fundación Social,
- Fundación Urdime,
- Corponariño,
- ACOPI,
- Pasto Chamber of Commerce,
- FENALCO Pasto.

The LEDA general assembly voted to expand membership as of January 2004. The agency is regulated by private law, and is a non-profit, mixed public and private organisation. The agency Web site is: www.adelpasto.org.

RESULTS IN THE DEPARTMENT OF ANTIOQUIA

Antioquia is the second-most industrialised department in Colombia. It is located in the northeast of the country and is a natural crossroads for trade to and from the Caribbean, the Pacific and the Andes. This characteristic is one of the reasons for its cultural, economic and social dynamism. The terrain is mountainous, and lies in the Western and Central Cordillera. It has many deep valleys, and in one of them lies the capital Medellín. The mixture of indigenous peoples, African slaves, Spaniards and, more recently, Middle East Arabs, has produced a homogenous group known in Colombia as “paisa”. About 73 percent of the inhabitants live in towns, the largest of which is Medellín, with a population of almost 2,000,000 (3,000,000 in the metropolitan area). The land is extremely versatile. The great variety of terrain, climate and geology enables high agricultural yields. The Department of Antioquia is Colombia’s main producer of coffee and bananas for export, and has the second-largest number of beef cattle. Other important agricultural products include sugar cane, corn, potatoes, beans, cocoa, tobacco and cassava. The local economy is based traditionally on manufacturing and commercial activities. The services sector predominates (50 percent), followed by industry (31 percent), agriculture (12 percent) and mining (7 percent). The textile and clothing sector satisfies local demand and constitutes an important export component.

The Department of Antioquia is divided into nine subregions. Together with the local authorities, it was agreed to implement the project initially in the subregions of Valle Aburrá, Oriente Antioqueño and Urabá.

The Aburrá subregion is made up of nine municipalities, covers an area of 1,152 km², and has a population of 2,908,875. The most important city is Medellín, with its many industrial activities and services.

The Oriente subregion has an area of 7,021 km² and a population of 548,456. The subregion is divided into 23 municipalities. The territory has a duty-free zone, which has encouraged the development of numerous industries. The territory is rich in water resources and has a great variety of plant and animal life. Floriculture is an important export industry, which benefits from the proximity to an international airport. Annual crops, milk and dairy produce are also important.

The Urabá subregion covers 11,644 km², has a population of 474,000, and is divided into 11 municipalities. Because of its geographical location, it is considered strategic for the development of the department. Lying in a gulf of the Caribbean, its many natural harbours make it a centre for the international distribution of goods. Agriculture is the main economic activity, with high production of bananas (for export), tobacco, corn, cacao, rice and cassava. The region also has considerable tourist potential.

Decades of fighting in the three areas, and especially Urabá and Oriente, have had serious repercussions on civilians. Only in the last two years have improvements gradually been seen. In Oriente Antioqueño, the EU launched “Laboratorios de Paz”, a programme implemented in areas that have borne the brunt of the violence in the last few years. Analogous activities
were carried out in Magdalena Medio in the Department of Santander and in the Paipa Valley in the Department of Nariño.

Initial activities at departmental level involved the public presentation of the project, illustrating the local economic development strategies and instruments it promotes. In collaboration with the Ministerial Directorates of Small and Medium-Sized Enterprises, Promotion of Business and Business Culture, meetings were arranged with the departmental secretariats of planning, agriculture, productivity and competitiveness; the Medellin Chamber of Commerce; ACOPI; and the production development centres for textiles, clothing and the food industry. The operational strategies of the project were defined in accordance with the indications provided by those consulted.

The project was launched officially on 12 September in the stateroom of the Departmental Government of Antioquia, with the participation of the governor, the mayor of Medellin, parliamentary senators and deputies, industrial and craft associations, banks and financial institutions, universities, entrepreneurs, and a representative of the Italian Chamber of Commerce. A delegate from the EU was also present.

At the end of the meeting, the Government of Antioquia signed an agreement with UNDP, pledging their active participation in the project and departmental funds for the implementation of activities. The departmental productivity and competitiveness secretariat was given responsibility for coordinating the project in the department.

On 2–3 October, a workshop was held at IDEA to define methods and instruments for identifying the endogenous potential of the territory, and prioritising a value chain, in collaboration with the Ministerial Directorate for the Promotion of Business and Business Culture, local authorities, ACOPI and the Comité Asesor Regional de Comercio Exterior. The workshop was led by an international expert, Giancarlo Canzanelli, and attended by local authorities and 100 representatives of the textile and clothing, civil engineering, forestry, tourism, fruit and vegetable sectors.

During the workshop, owing to the complex nature of the economic activities of the territory, it was decided to launch the project initially in the subregions of Valle Aburrá, Urabá and Oriente Antioqueño. A working group, coordinated by the departmental productivity and competitiveness secretariat, was set up to conduct a detailed study of the territory and draw up operational proposals to guarantee the greatest degree of participation in the process at the departmental and subregional levels.

Subsequently, in collaboration with an international expert, Giacomo Mariscotti, missions were carried out in the subregions of Valle Aburrá, Urabá and Oriente Antioqueño in order to establish work schedules in conjunction with local authorities and operators. In Rio Negro (Oriente Antioqueño), collaboration was established with “Laboratorio de Paz”, a programme set up by the EU together with the Association of Regional Municipalities and with PRODEPAZ, an association involving active groups in the region. In Apartadó (Urabá), collaboration was defined with the (FUNDAUNIBAN) and the Corporación para el desarrollo de la economia solidaria de Urabá (Cordesu). The two foundations are involved in coordinating the project in Urabá, in collaboration with the Association of Regional Municipalities.

In collaboration with IDEA, the Medellin Chamber of Commerce, the secretariats of planning, agriculture, productivity and competitiveness, and the Departmental Government of Antioquia, work began on establishing a departmental LEDA with a network structure. The agency needs to be structured in a way that enables it to: communicate with international, national and local institutions; cover the entire territory; and guarantee the broadest possible participation in the area.

The departmental agency is to be based in Medellin, and is designed to provide necessary resources and operational territorial agencies (one in each subregion). IDEA agreed to contribute USD 700,000 for the initial capitalisation of the agency.

**Characteristics of the LEDA of Antioquia**

ADEL – Agencia de Desarrollo Economico Local de Antioquia

Initial members of the departmental agency:
- Departmental Government of Antioquia,
- Medellin Municipal Administration,
- Institute for the Development of Antioquia,
- Medellin Chamber of Commerce,
- University,
- ACOPI,
- FENALCO.
The agency is regulated by private law, and is a non-profit, mixed public and private organisation. The departmental agency management committee is made up of the presidents of the management councils of the territorial LEDAs. To begin with, territorial agencies will be set up in the subregions of Valle di Aburrà, Oriente and Urabà.

IDEA proposed the capitalisation of the departmental agency and the adoption of a cofunding mechanism involving a peso for each peso contributed by each of the territorial agencies.

The agency's proposal met with great interest in the EU's Cooperation Department, which promised to provide the agency with the funds from the “Laboratorio de Paz” programme of Oriente Antioqueño.

RESULTS IN THE DEPARTMENT OF SANTANDER

The Department of Santander is situated in northeastern Colombia. The mountains of the Eastern Cordillera and the broad valley of the Magdalena River divide the land into two regions: the west, with its broad plains and gently undulating hills, and the east, with its numerous geological fault lines and deep gorges carrying fast-flowing rivers and rapids. About 70 percent of the population live in urban areas. The capital, Bucaramanga, is an important industrial, commercial and cultural centre. In the past, the economy of the department was mostly agricultural, but in the last few years, the service sector (commerce, transport and communications) has come to the fore (52 percent of local GDP); industry (20 percent) is next in importance. The department is divided into six subregions. The project will involve three subregions: the metropolitan area of Bucaramanga in the east, the Magdalena Medio Valley in the west, and the Province of Velez in the south.

The metropolitan area is made up of the Municipalities of Bucaramanga, Floridablanca, and Girón y Piedecuesta in the Province of Soto. Although it represents only 5 percent of the territory, the subregion has 50 percent of the population (more than 1,000,000 inhabitants). It represents the focal point for development in the region, with numerous industries, commercial enterprises, services, universities and research centres.

The Magdalena Valley is a centre for agriculture (the soil is particularly fertile) and industry (with numerous oil wells and the most important refinery in the country). This has led to an influx of population to the area in the last 20 years. The valley's five major urban centres, Barrancabermeja, Puerto Parra, Cimitarra, Sabana de Torres and Puerto Wilches, account for 15 percent of the department's population. The most important city is Barrancabermeja, where there is a refinery and one of the most important workers' unions in the country. In the last few years, Magdalena Medio has been one of the strategic focal points of the armed conflict, housing important army structures, guerrilla groups and, lately, paramilitary groups. The people have been hit particularly hard by the conflict. Numerous civilian massacres led to a substantial influx of refugees from the interior. The EU and the UN are implementing important programmes for humanitarian assistance and the protection of human rights, as well as a “Laboratorio de Paz” in Magdalena Medio.

The Province of Velez, which is made up of several small towns, such as Barbosa, Punta Nacional, Guavatá, Velez and Moriquirá (which is administered by the Department of Boyacá), is predominantly agricultural. It is famous for a cake called “bocadillo veleño.” There are 108 family-run companies that make this cake, representing a main source of employment in the area. Wild guava, a basic ingredient of the cake, is grown on 12,300 ha of land.

In September 2003, the project was presented to departmental authorities and operators. With the active collaboration of the Ministerial Directorates of Small and Medium-Sized Enterprises, and Promotion of Business and Business Culture, meetings were held with the departmental secretariats of planning and agriculture, the Bucaramanga Chamber of Commerce, ACOPI, ANDI, the production development centres of the textile and clothing, gold and jewellery, leather and footwear sectors. The operational strategies of the project were defined in accordance with the indications made in the meetings and a work schedule was defined for the start of activities in the department.

On 5 September, the project was launched officially in the staterooms of the Departmental Government, with the participation of the governor of Santander, representatives of the municipalities in the metropolitan area, the Province of Velez, and the Magdalena Valley, industry and craft associations, banks, financial institutions and universities.

Last, the Departmental Government of Santander signed an agreement with UNDP to take an active part in the project through its departmental secretariats,
and allocate financial resources for the activities. Initially, the departmental secretariat of planning was responsible for coordinating the project in the department; but this responsibility then passed to the Santander Regional Trust Fund.

In the Department of Santander, project activities proceeded at a slower pace than in the Departments of Nariño and Antioquia. In general, this was in part because of a lack of experience in decentralised cooperation exchange schemes. Institutions, local operators and representatives of the Bucaramanga Chamber of Commerce had greater difficulty in mastering the Programme's instruments and methods.

On 29–30 September 2003, a workshop was held at Santander's Industrial University to define methods and instruments for identifying the endogenous potential of the department, and prioritising a value chain. It was organised with the active collaboration of the Ministerial Directorate for the Promotion of Business and Business Culture, local authorities, ACOPI, and the Comité Asesor Regional de Comercio Exterior. The workshop was led by Mr Giancarlo Canzanelli, and attended by 50 representatives of the local governments, ACOPI, universities, major associations and a considerable number of local entrepreneurs.

At the workshop, it was agreed to start project activities in the following subregions: the metropolitan area of Bucaramanga, the Magdalena Valley and the Province of Velez. The three subregions are very different in terms of economy, production and social development. The first three working groups were set up and started operations. The first group was given responsibility for preparing a proposal for establishing the LEDA; the second for identifying and prioritising a value chain; and the third for preparing the terms of reference for the constitution of a credit fund.

Following the decisions taken at the workshop, promotional activities were carried out in the area of Magdalena Medio in October and November. On 27 November, an event was organised with the active collaboration of the Municipality of Barrancabermeja to launch the project. Participants included 29 mayors, representing the local municipalities, numerous grassroots associations and organisations that are also involved in the EU's “Laboratorio de Paz”. As in Oriente Antioqueño, in Santander close collaboration with this programme was defined, especially with a view to implementing productive development initiatives in the department.

A mission to Italy was organised for the director of the production development centre for gold and jewellery, who visited the industrial districts of Vicenza and Arezzo. The visit was funded by the production development centre and took place in November 2003. It was organised in collaboration with the UNDP/UNOPS EDINFODEC Programme, and involved entrepreneurs, local authorities from the two cities, and the Vicenza Arts and Crafts School.

Through a joint decision-making process involving the economic operators of the three subregions, a possible organisational structure for the economic development agency was defined. Also this agency will be organised as a network of territorial LEDAs, and, to begin with, it will involve the project’s three intervention subregions: the metropolitan area, Magdalena Valley and Province of Velez.

Characteristics of the LEDA of Santander

ADEL – Red de Agencias de Desarrollo Local de Santander

The network consists basically of three LEDAs: Bucaramanga Metropolitana Area, Magdalena Medio, and Province of Velez.

Agency members will belong to respective areas of operation. Participation by departmental governments and regional associations will be guaranteed in each LEDA. LEDA membership will probably be as follows:

- Departmental Government of Santander,
- Municipal administrations of the territory,
- Dioceses,
- Local universities through their regional offices,
- ACOPI,
- Local foundations and associations,
- Regional Chambers of Commerce (starting with those of Bucaramanga and Barrancabermeja),
- Regional programmes (including the “Laboratorio de Paz” in Magdalena Medio).

The LEDA is regulated by private law, and is a non-profit, mixed public and private organisation. It is representative of the three territories in productive, social and economic terms.

Operational procedures for the network of agencies will be defined in early 2004 in conjunction with all the social and economic operators of the territories in the department.