



Libertad y Orden



Reconnecting with Colombia

Before and After: Security and Social Changes

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“Colombia is a welfare state, organized as a unitary Republic, decentralized, with regional autonomy among its territorial entities, democratic, participatory and pluralist, founded upon the respect for human dignity, on the work and solidarity of the people who integrate it and the prevalence of general well being”.

Colombian National Constitution (1991)
Article 1



1. In 2002, 566,761 foreign visitors came to Colombia and in 2006 1,140,530 travelers were attracted to the country. In 2006, Colombian tourism grew by 14%, while overall world tourism grew at 4% and Latin American tourism grew by 6%.
2. Colombia's struggle against the violent groups is based on a democracy, not on a dictatorship, and that makes the Nation deserve the international support it has received lately.
3. As the President briefed last January 14th: I would like to remind the world that Colombia has started to make financial and social progress because security has made progress, since drug-trafficking guerrillas have been weakened and there has been a very important process in which the drug trafficking paramilitary groups have been dismantled.

The National Development Plan 2006 – 2010: “**Communitarian State, Development for all**”, will consolidate social and economic results



Based on three main objectives:

Strengthen **Defense and Democratic Security Policy** achievements

Consolidate a **high and sustained economic growth** with social equality.

Reduce **poverty** and promote equality.



Investor Confidence

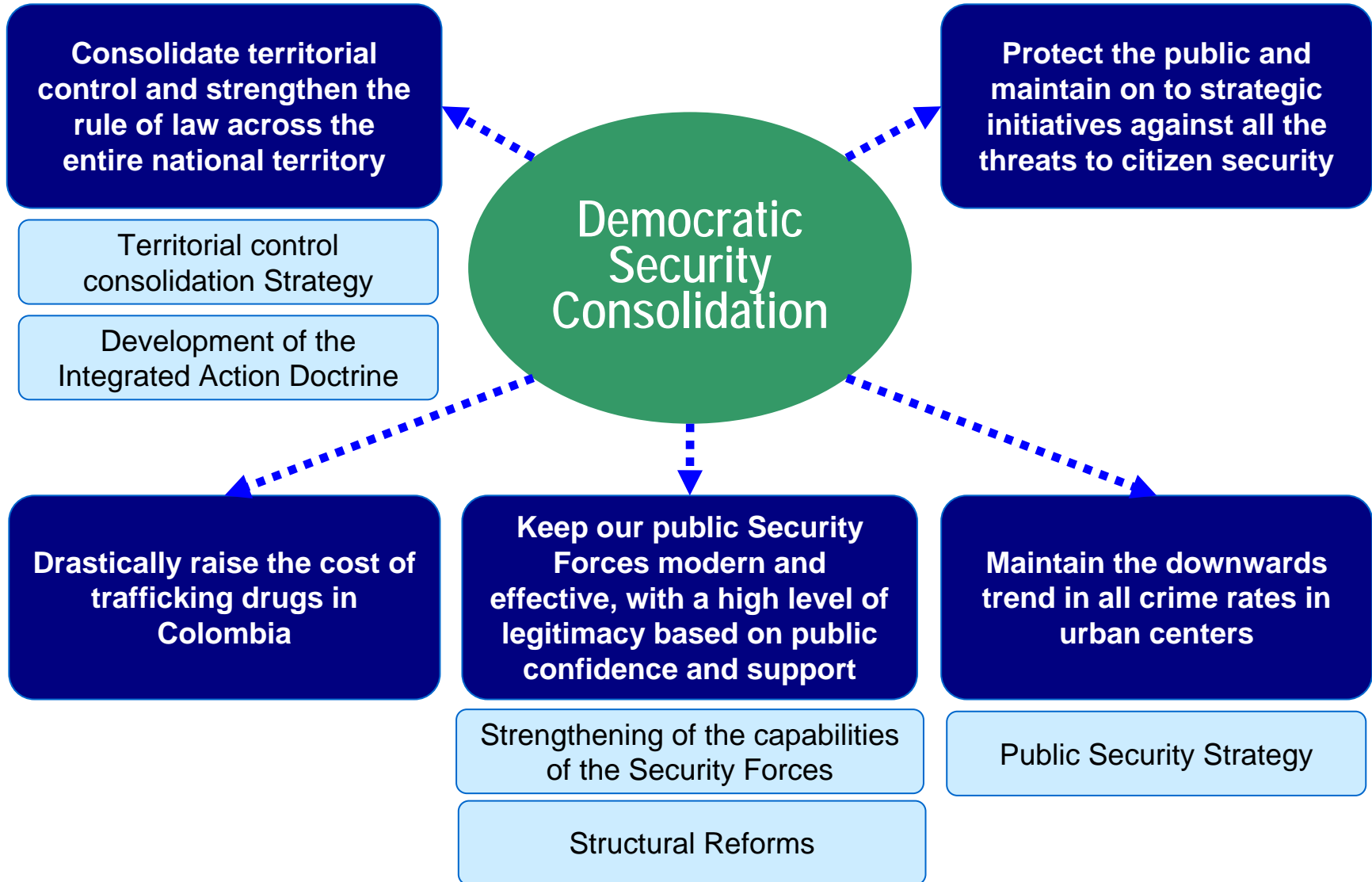


Total Investment for this 4-year term will be **\$114 Billion**.

Colombia has achieved significant results in security which have **positive impact in private investment, economic growth and social equality.**



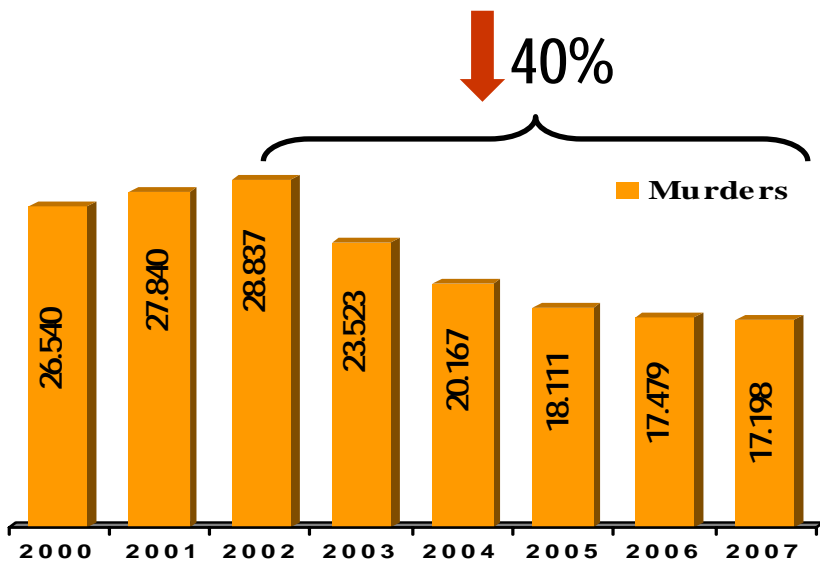
Towards Democratic Security Consolidation: Objectives



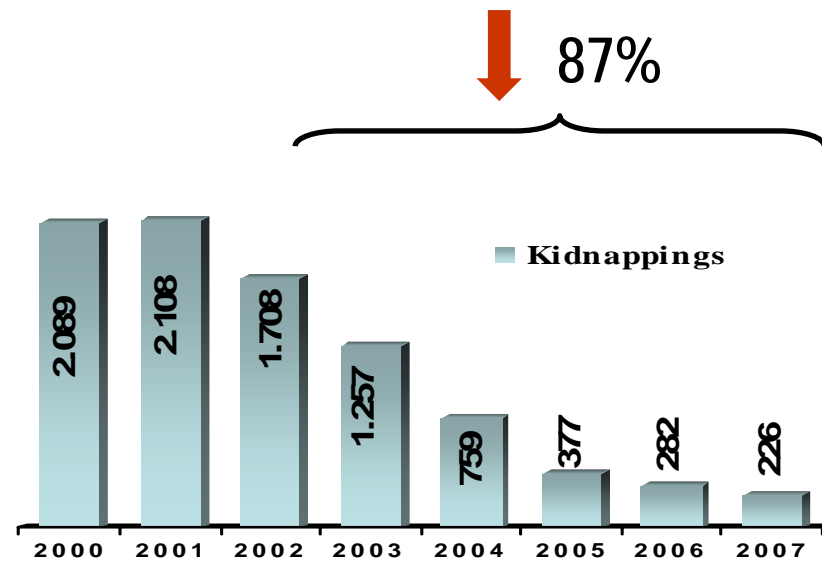
The Democratic Security Policy has had significant **improvements in security**, protecting human rights and personal freedom



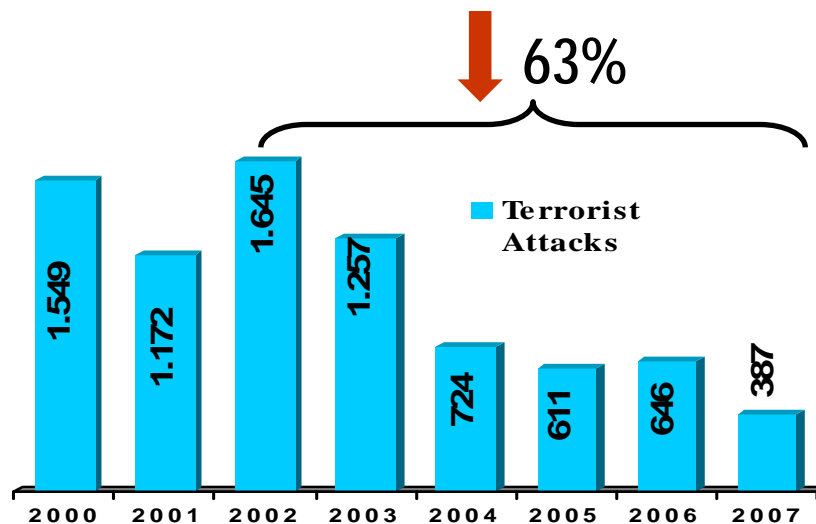
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Source :CIC – DIJIN Policía Nacional - Diciembre 2007



Source : FONDELIBERTAD

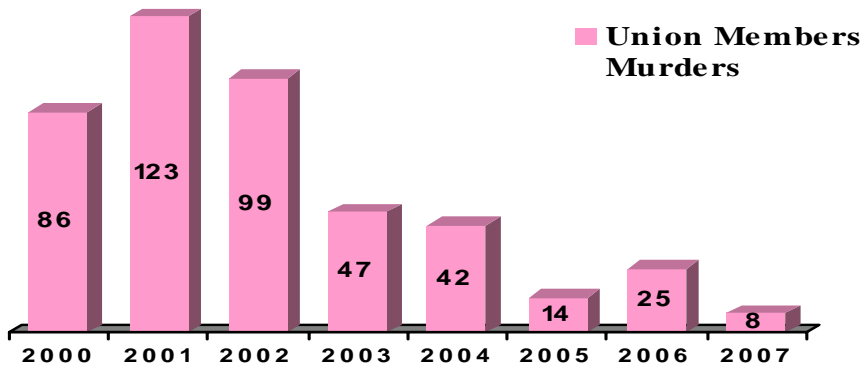


Source: CIC- DIJIN Policía Nacional- Ministerio de Defensa

Colombia has had significant **improvements in security**, protecting human rights and personal freedom (II)

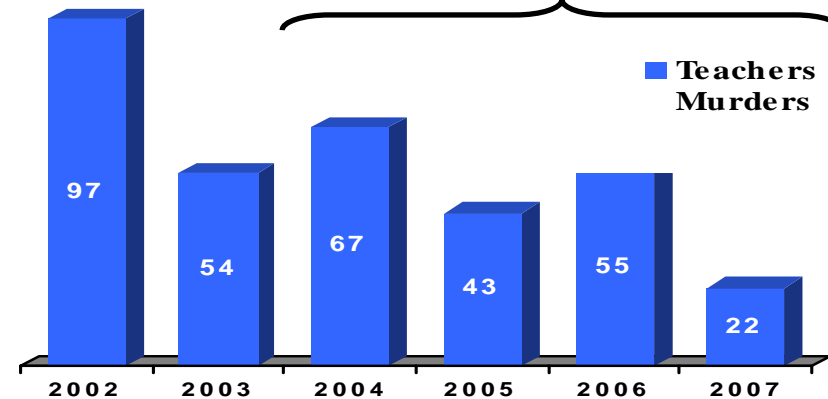


↓ 90%



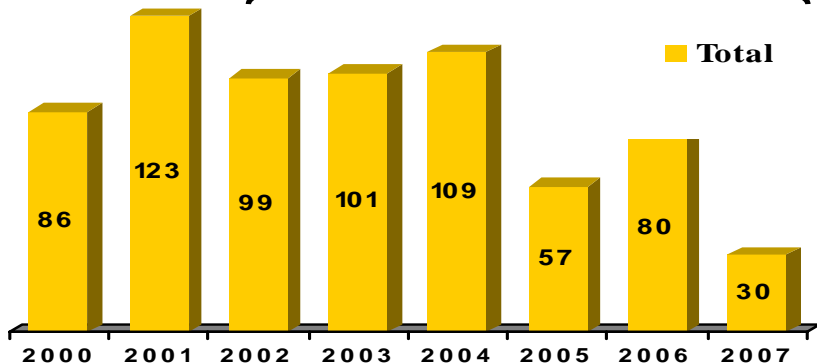
Source : Observatorio de Derechos Humanos y Derecho Internacional Humanitario – Vicepresidencia de la República

↓ 79%

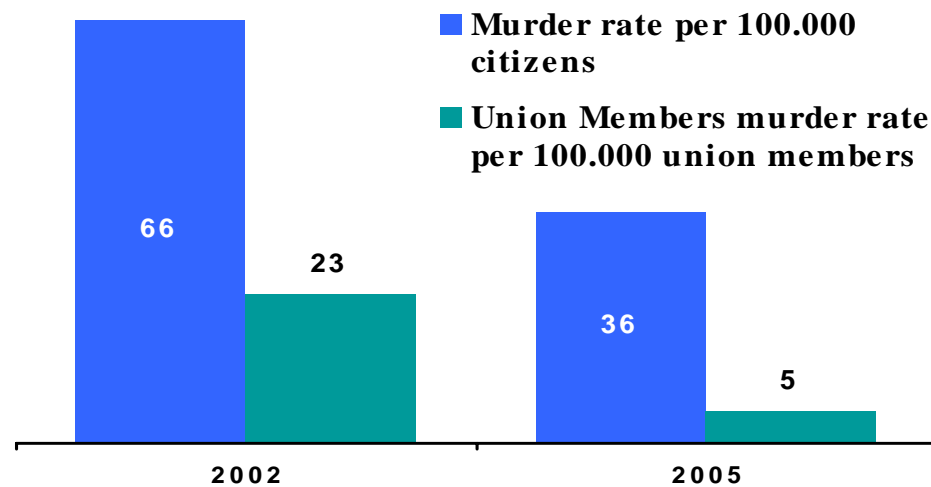


Source : Observatorio de Derechos Humanos y Derecho Internacional Humanitario – Vicepresidencia de la República

↓ 70%



Source : Observatorio de Derechos Humanos y Derecho Internacional Humanitario – Vicepresidencia de la República



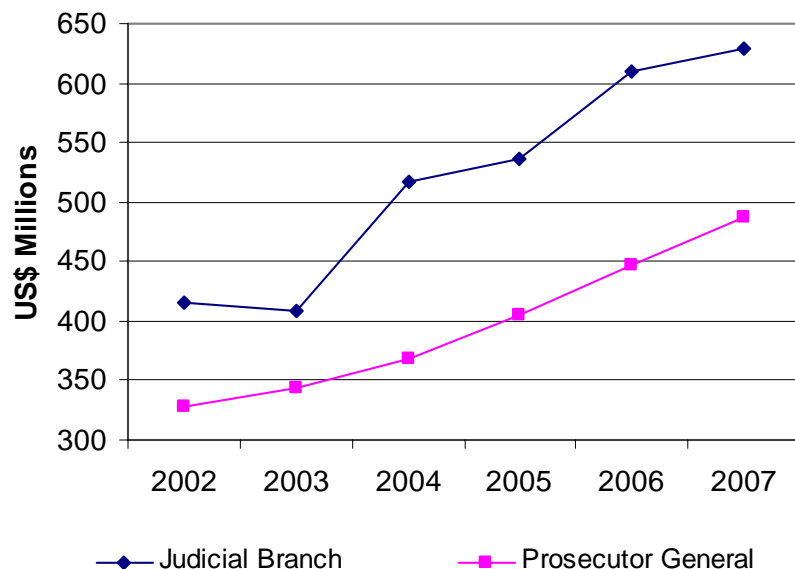
Source: Murder rate: Ministry of Defense. Union Member rate: Luis Norberto Rios. Colombian Trade Union Structure. Escuela Nacional Sindical. DNP- DJS estimates

... as in protecting **Union Members**



Resources for the Judicial Sector and the Office of the Prosecutor General have increased over 50% since 2002

COP Budget for the Judicial Branch and the Office of the Prosecutor General in Colombia (2007 prices)



- December 2002: Creation of **New Accusatorial Criminal System** that aims to reduce impunity in human rights violations and violence against union leaders.
- 2006: Creation of **Special Unit for Cases against union members** at the General Prosecutor's office.

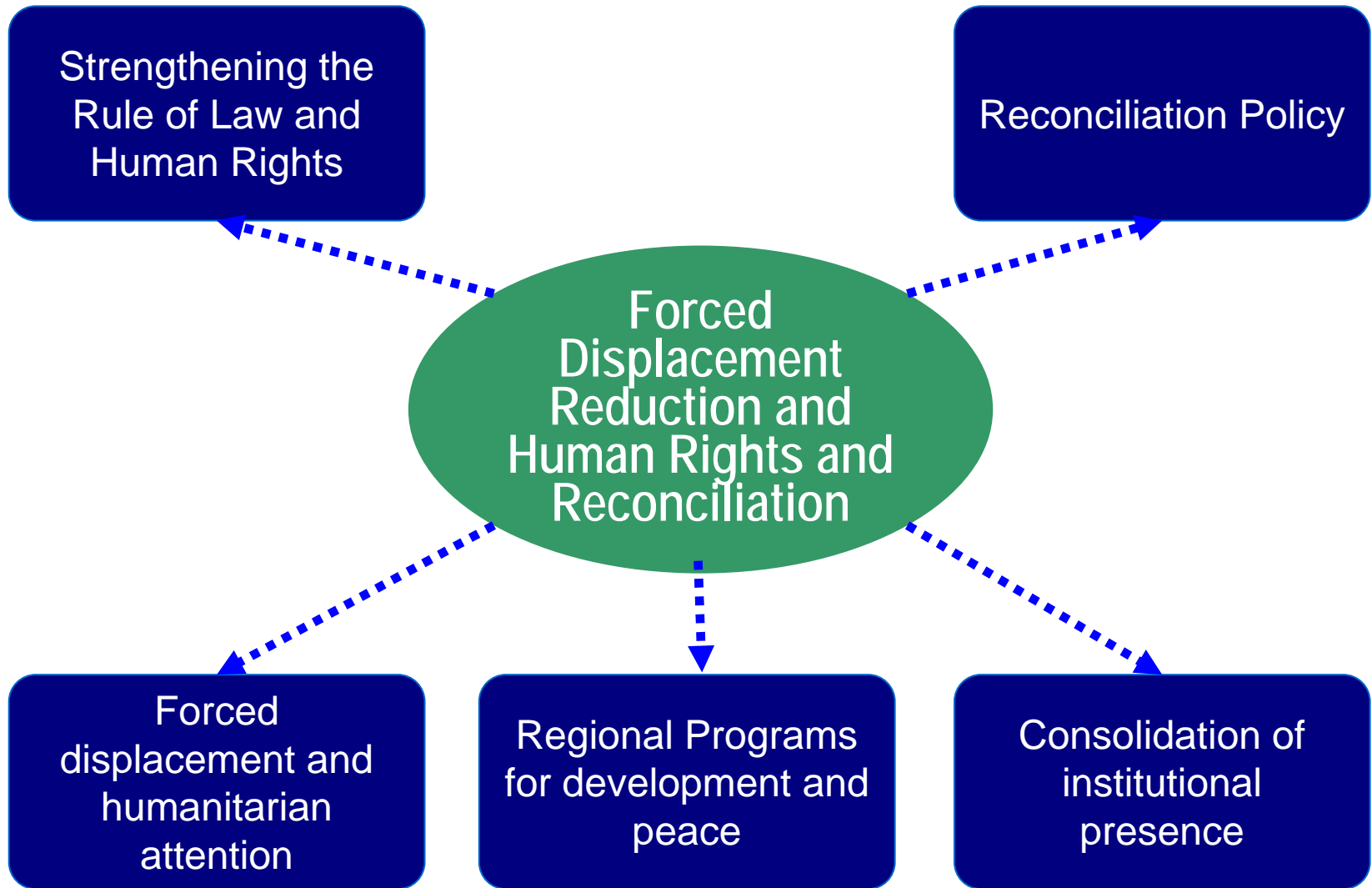
The Ministry of the Interior and Justice developed the **Program for the Protection of Human Rights**: focused on journalists , union members, NGO leaders, ethnic minorities, among others.

2002: Protected 880 people (375 Unionists)

2006: Protected 6.000 people (1.504 Unionists)

- January 2007: An ILO office was established to develop a **three-party agreement Unions – Employers - Government** for the protection of freedom of association and democracy .

Colombia has been working in the **reduction of Forced Displacement and in the promotion of Human Rights and Reconciliation**

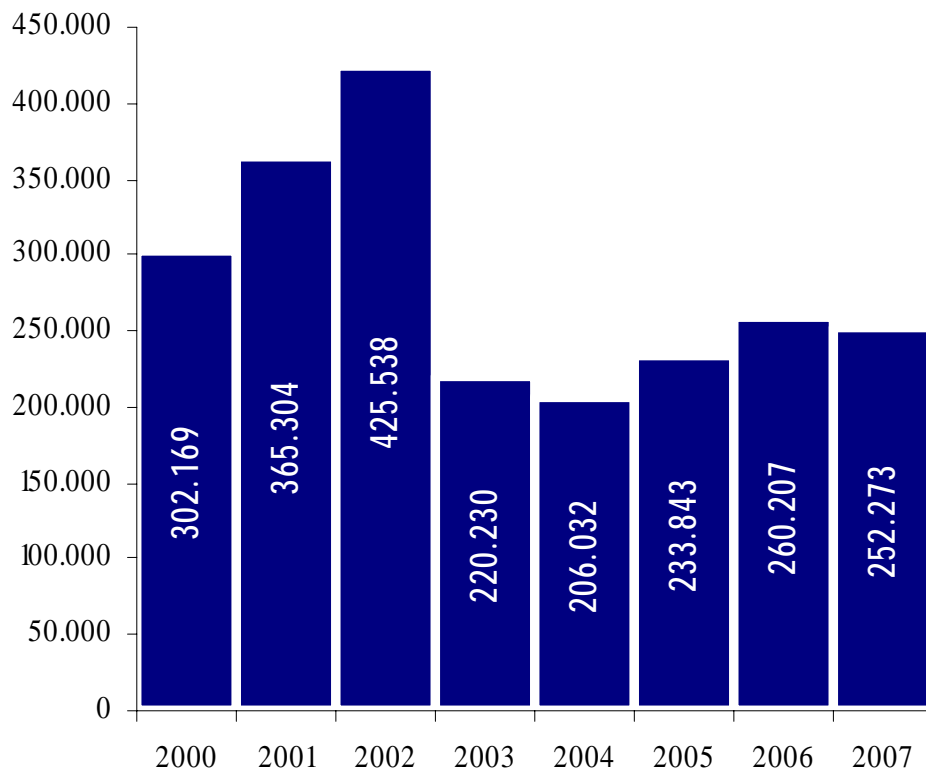


Reduce forced displacement



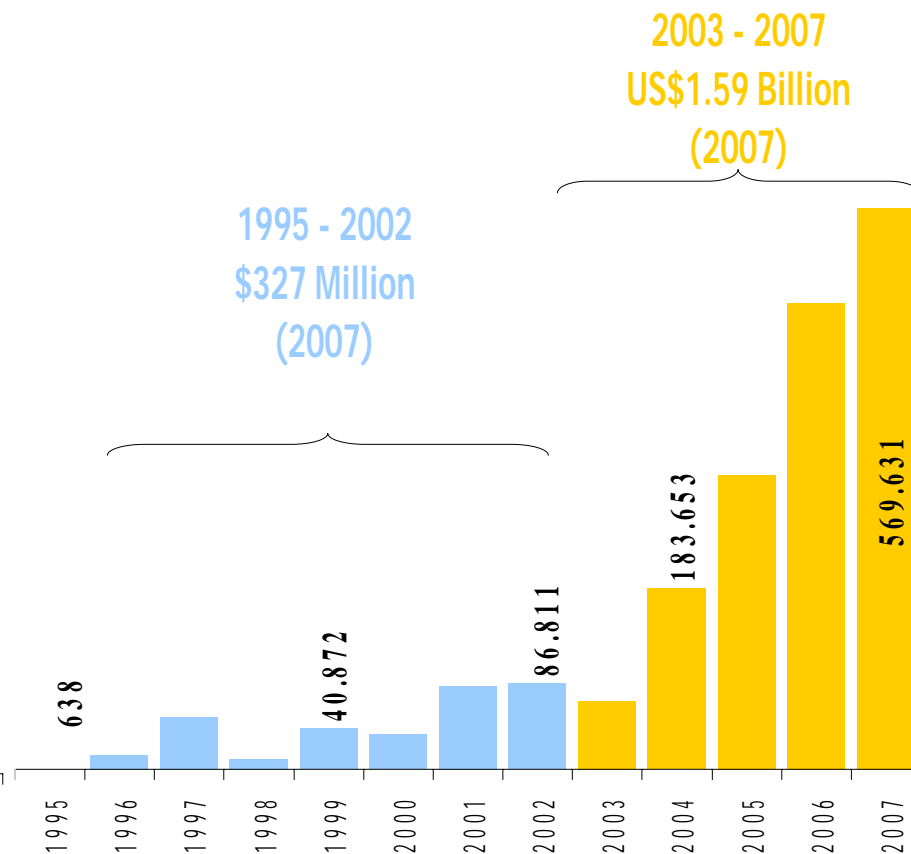
The number of displaced people has been halted and is beginning to decrease

And the budget for attending displaced population has increased considerably



* As December 31st, 2007

Source: RUPD - Acción Social

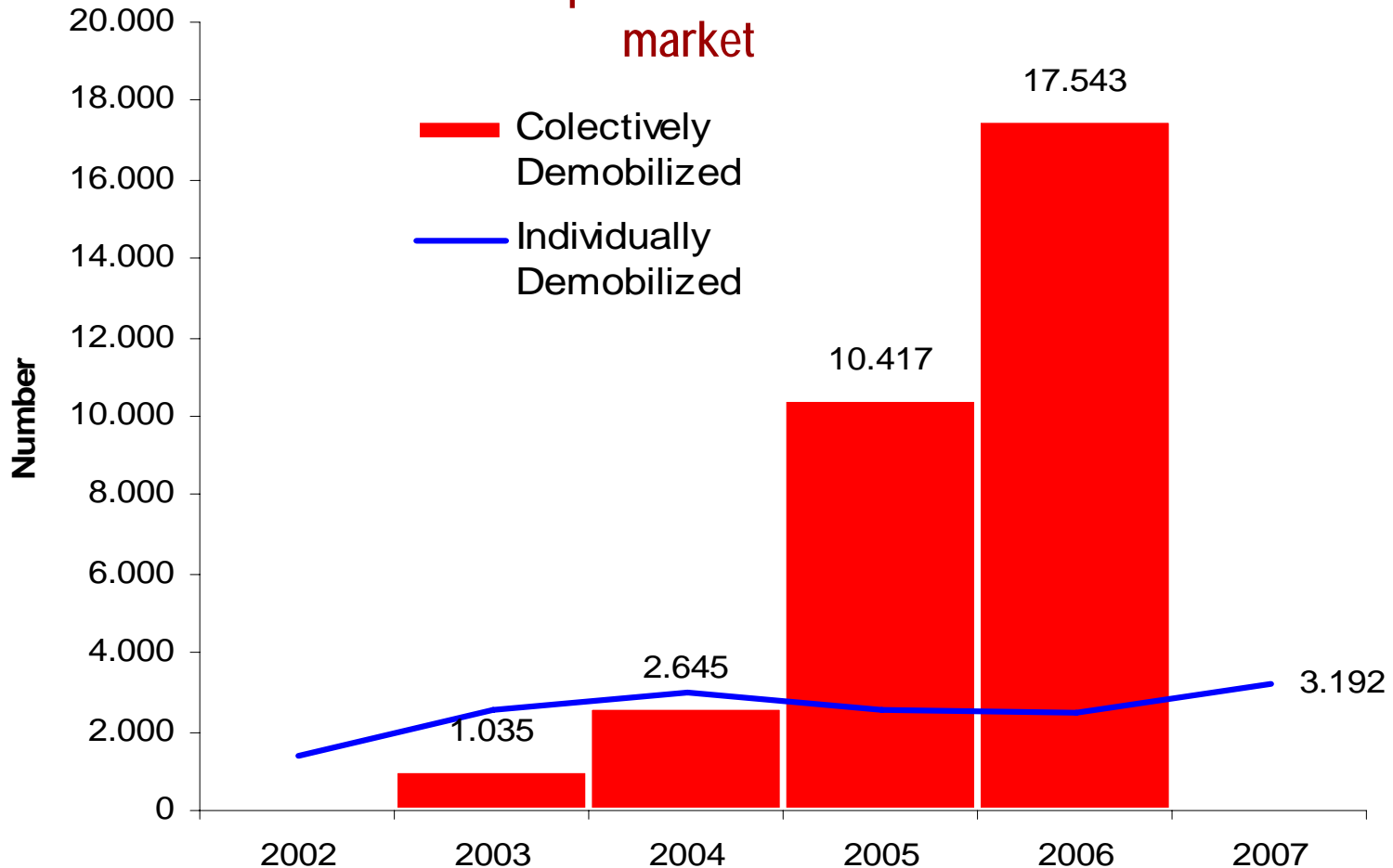


Source: SNAIPD entities. Estimates DNP - DJS - GEGAI.

... And has succeeded in **reincorporating** thousands of people who were in armed groups to society



People to be reincorporated to the labor market

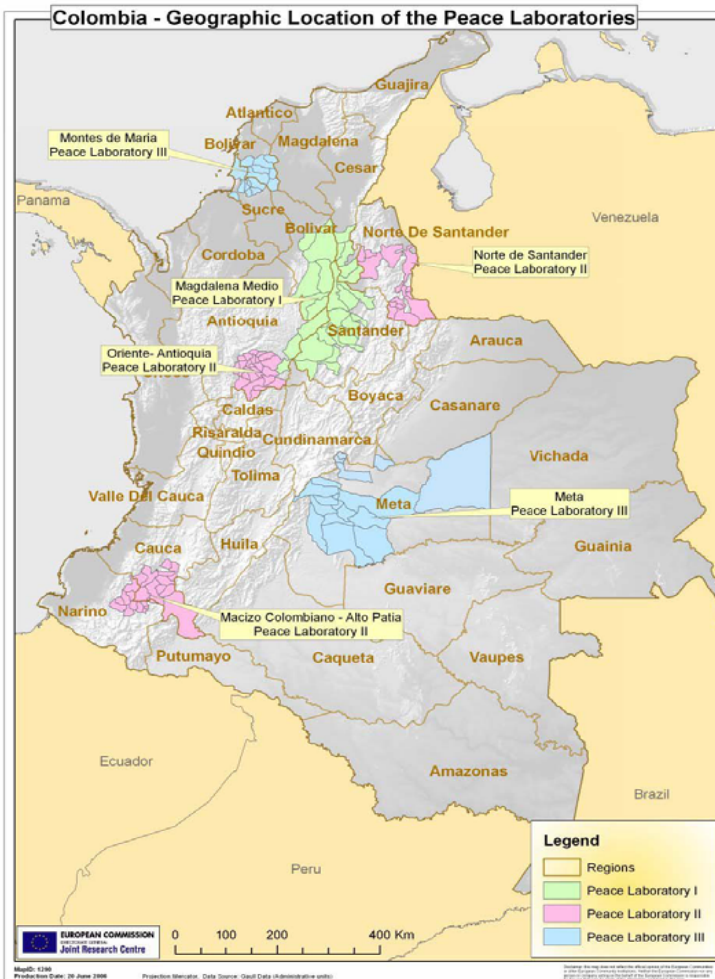


Support **Regional Programs** for Development and Peace



Purpose

Regional Programs for Development and Peace



Framework and intervention logic

Promote, in violent and poor regions, the conditions needed to provide a dignified life full of opportunities

Regions: Magdalena Medio, Norte de Santander, Macizo Colombiano and Alto Patía, Meta, Montes de María and Oriente Antioqueño. **127 Municipalities**

The resources are used mainly to provide project-based funding for community initiatives:

- Sustainable social and economic development.
- Democratic governance.
- Peace and reconciliation culture

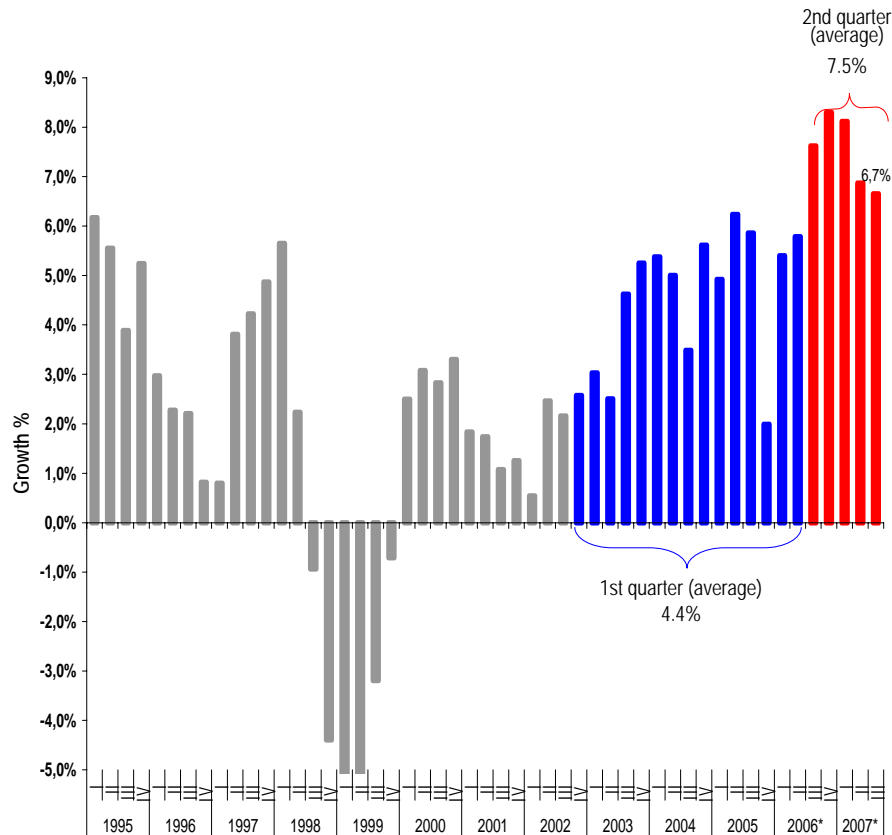
Colombia has achieved significant results in security which have **positive impact in private investment, economic growth and social equality.**



In the last years, Colombia has experienced **sustained economic growth**

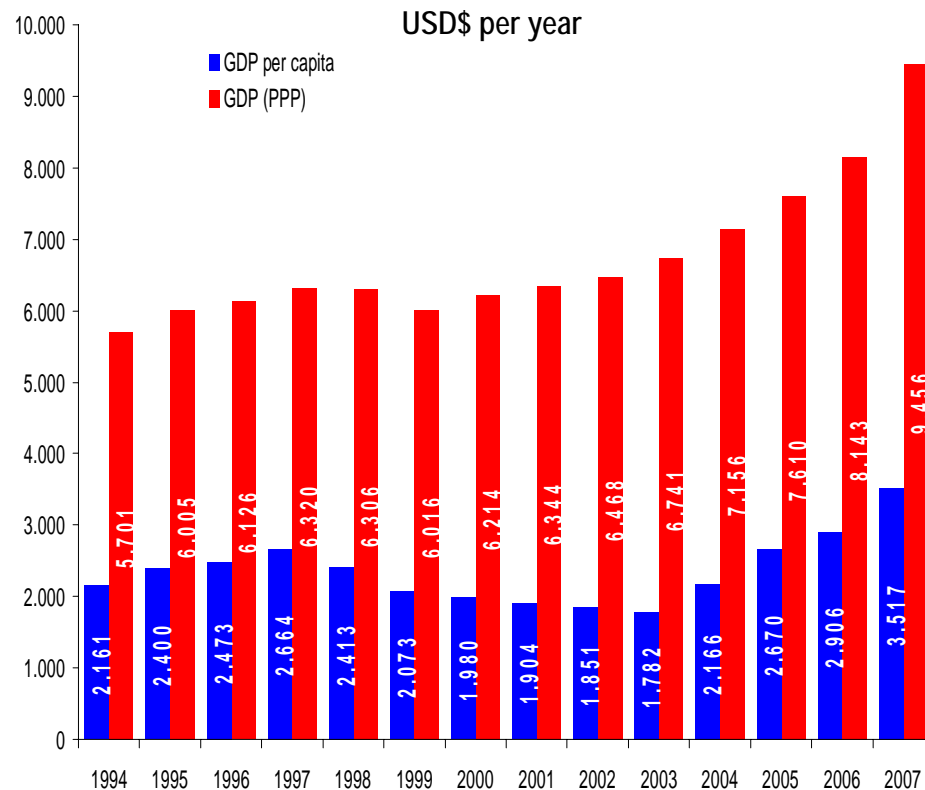


Real GDP Growth (%)



Source: DANE. Cálculos DNP

GDP per capita

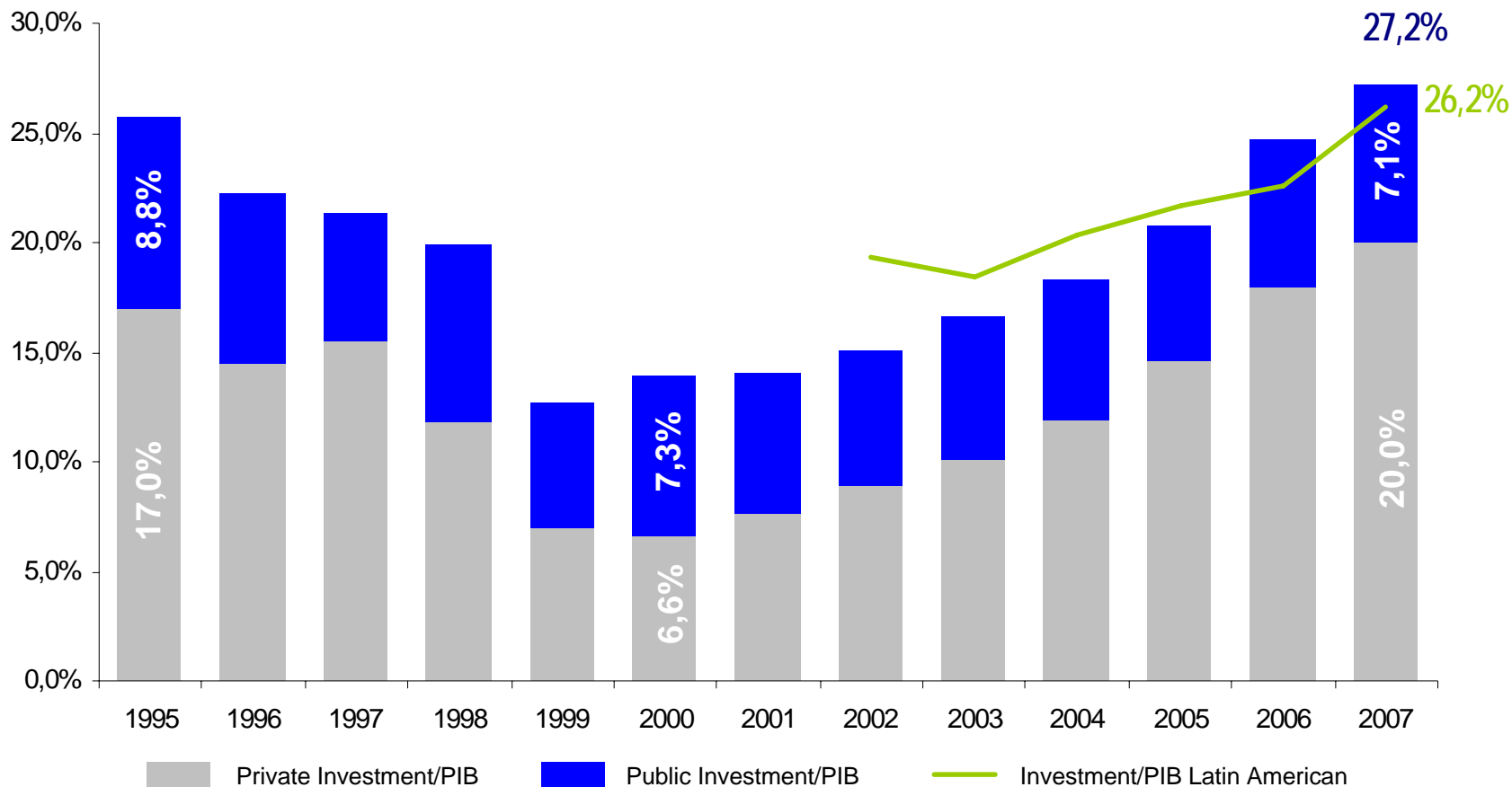


Democratic Security policy has been determinant for economic growth

In Colombia **the share of private investment** has been increasing.



Total Investment/GDP by Source



In 2007 private investment/GDP achieved the highest level in 12 years.

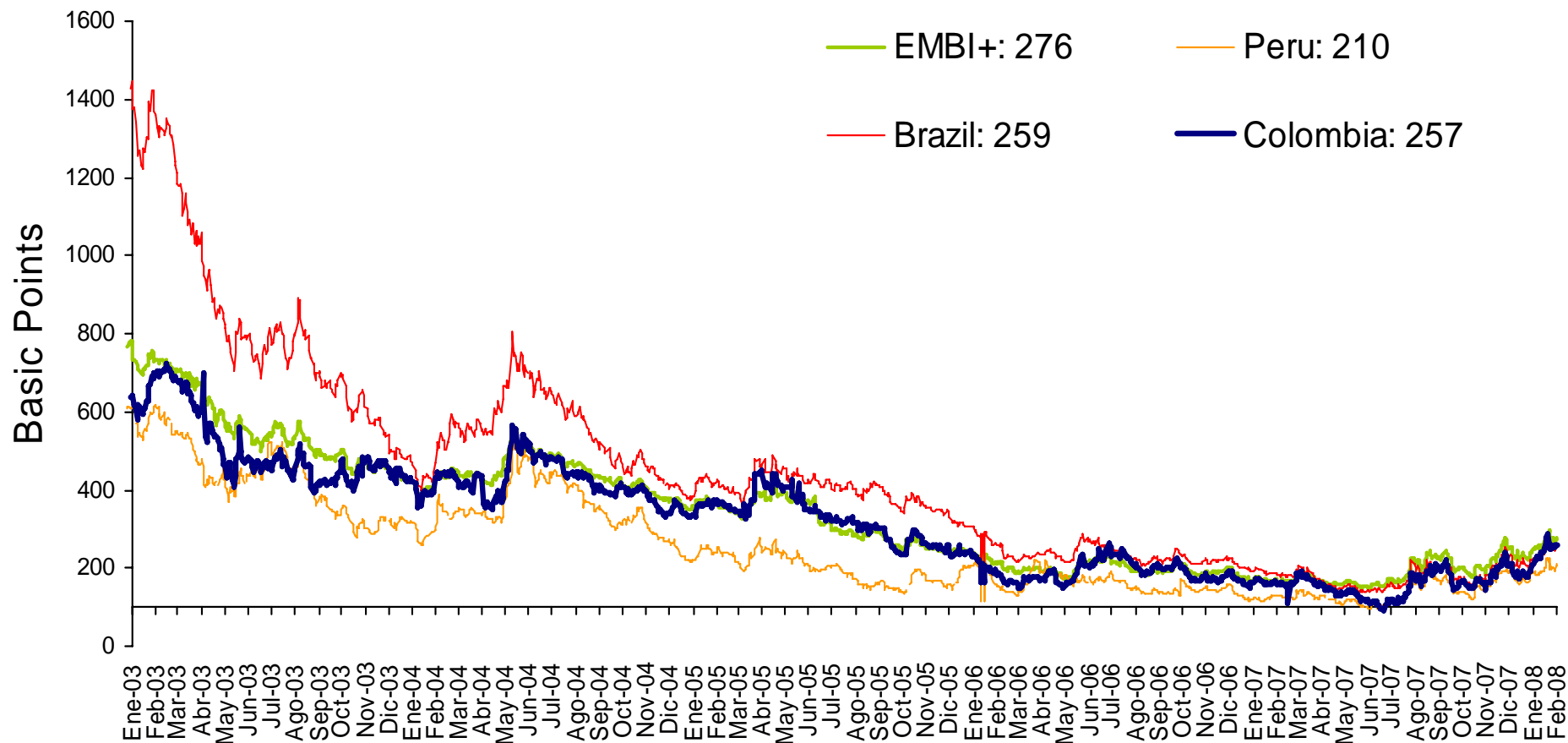
Colombia's **perceived risk** has improved in international markets



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Public Debt Spread (basic points)



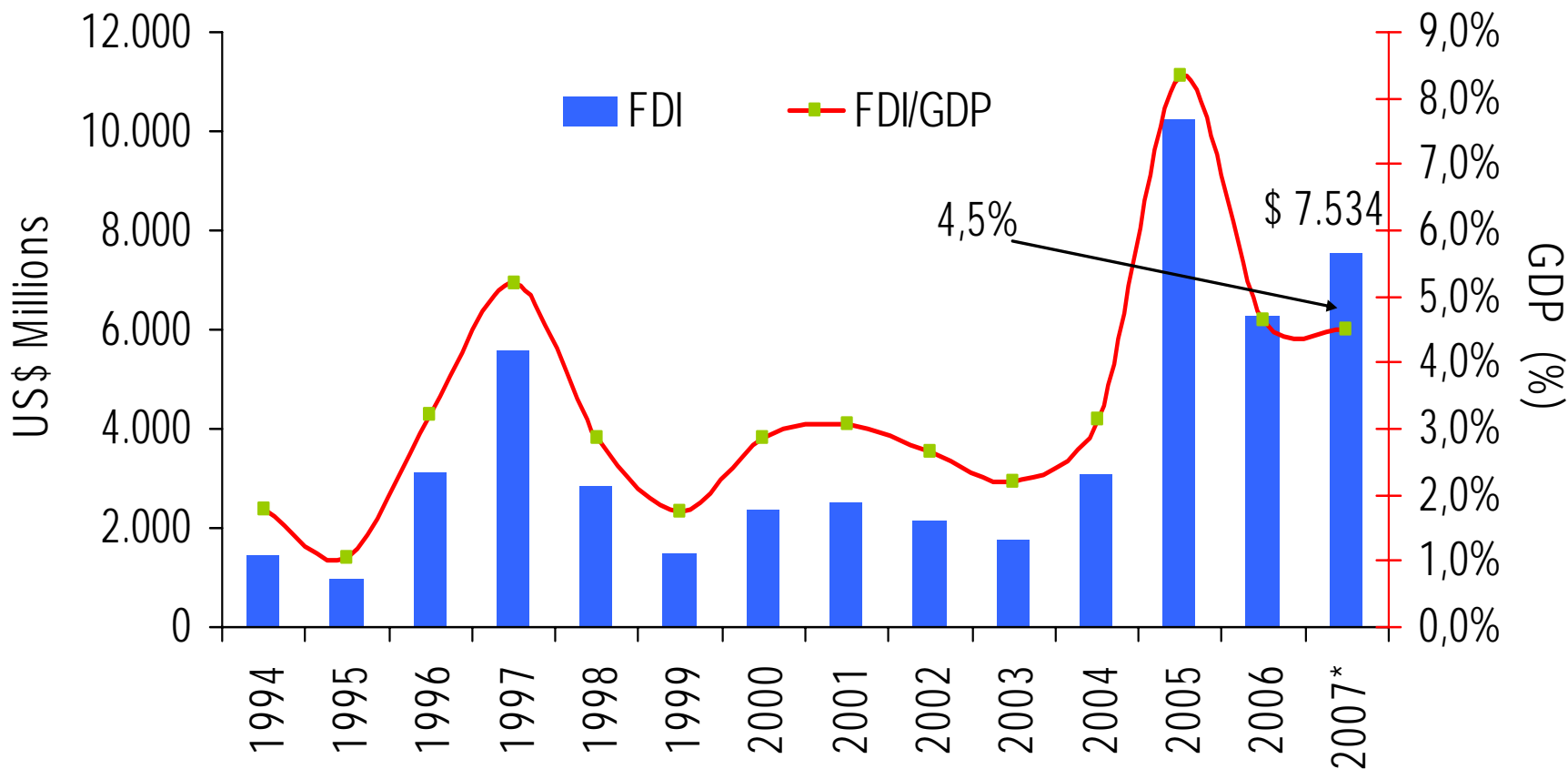
Source: JP MORGAN

Country risk has decreased more than 900 points compared to 2002

And total foreign direct investment has **increased significantly**



Total foreign direct investment



* Estimated

Source: Banco de la República

Colombia has achieved significant results in security which have **positive impact in private investment, economic growth and social equality.**

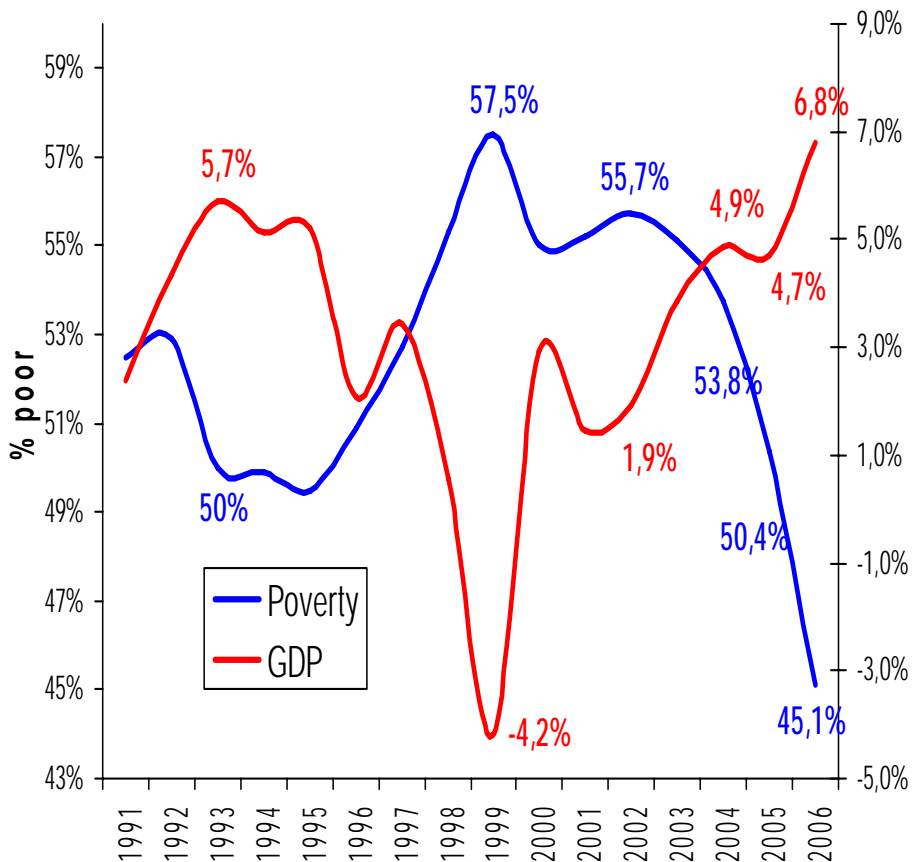


More confidence has brought more investment, more growth and **poverty reduction**

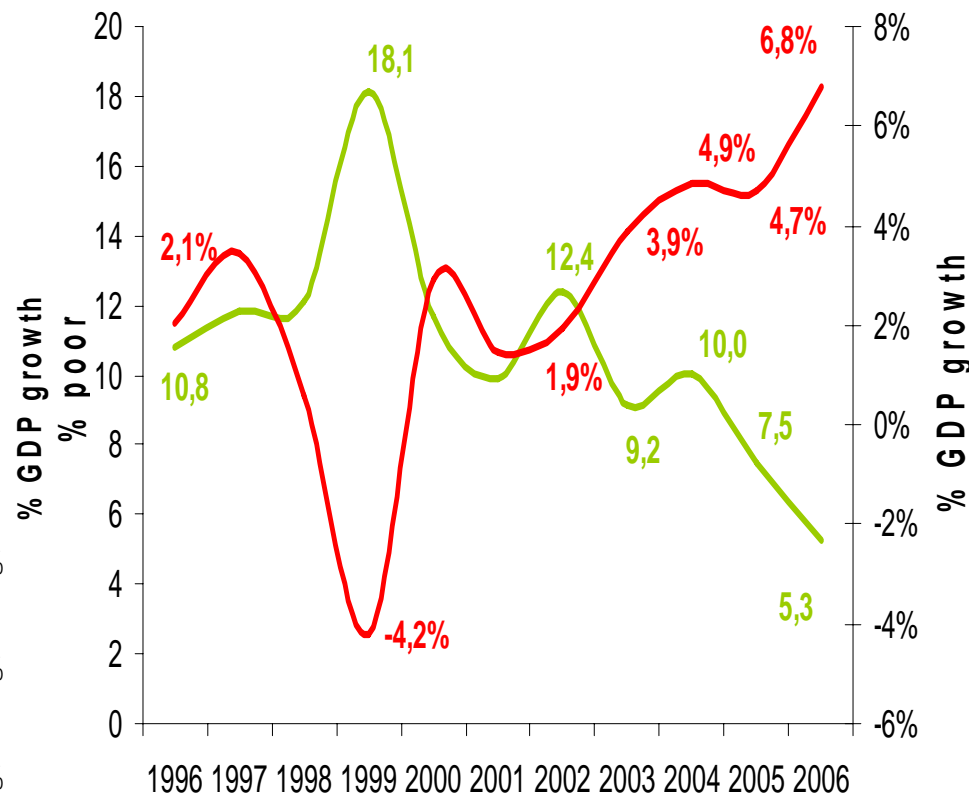


Measured by income (CEPAL), poverty decreased from 58% to 45% in seven years.

Measured by income (U\$ 2 PPP), poverty decreased from 18% to 5% in seven years



Source: DNP - Estimations MERPD based on ENH and ECH



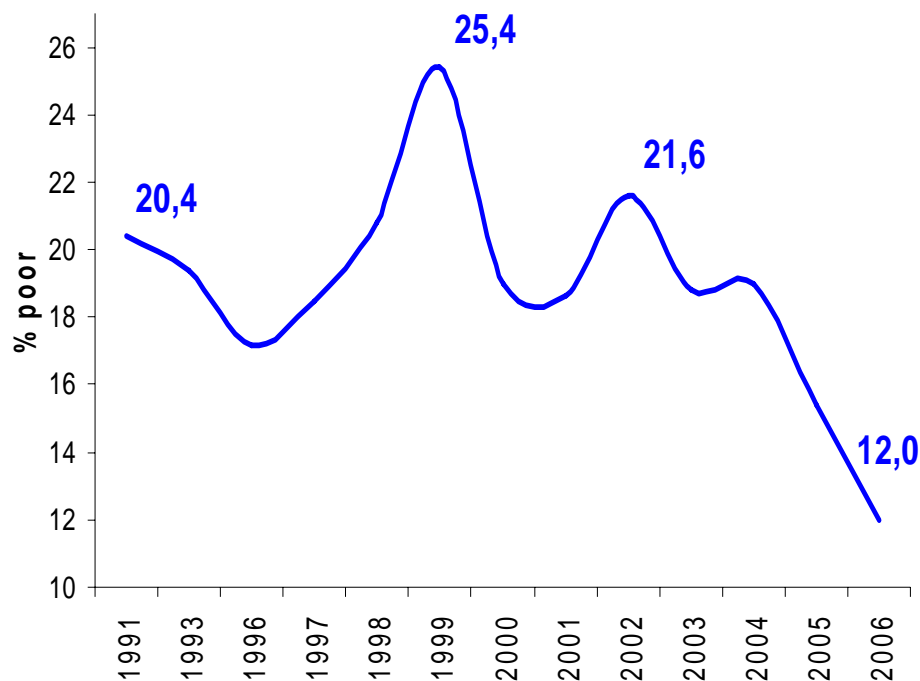
Two dollars is poverty's World Bank Standard

Source: DNP - Estimations MERPD based on ENH and ECH

... And has also contributed in the reduction of **extreme poverty**

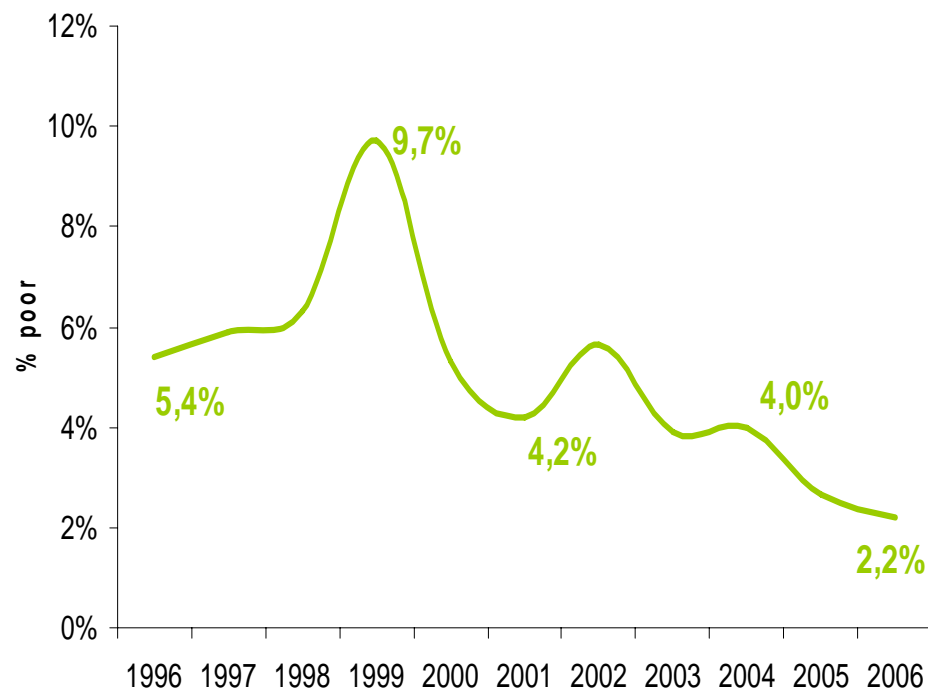


Measured by income (CEPAL), it decreased 13 percentage points in seven years



Source: DNP - Estimations MERPD based on ENH y ECH

Measured by income (U\$ 1 PPP), it decreased more than 7 percentage points in seven years



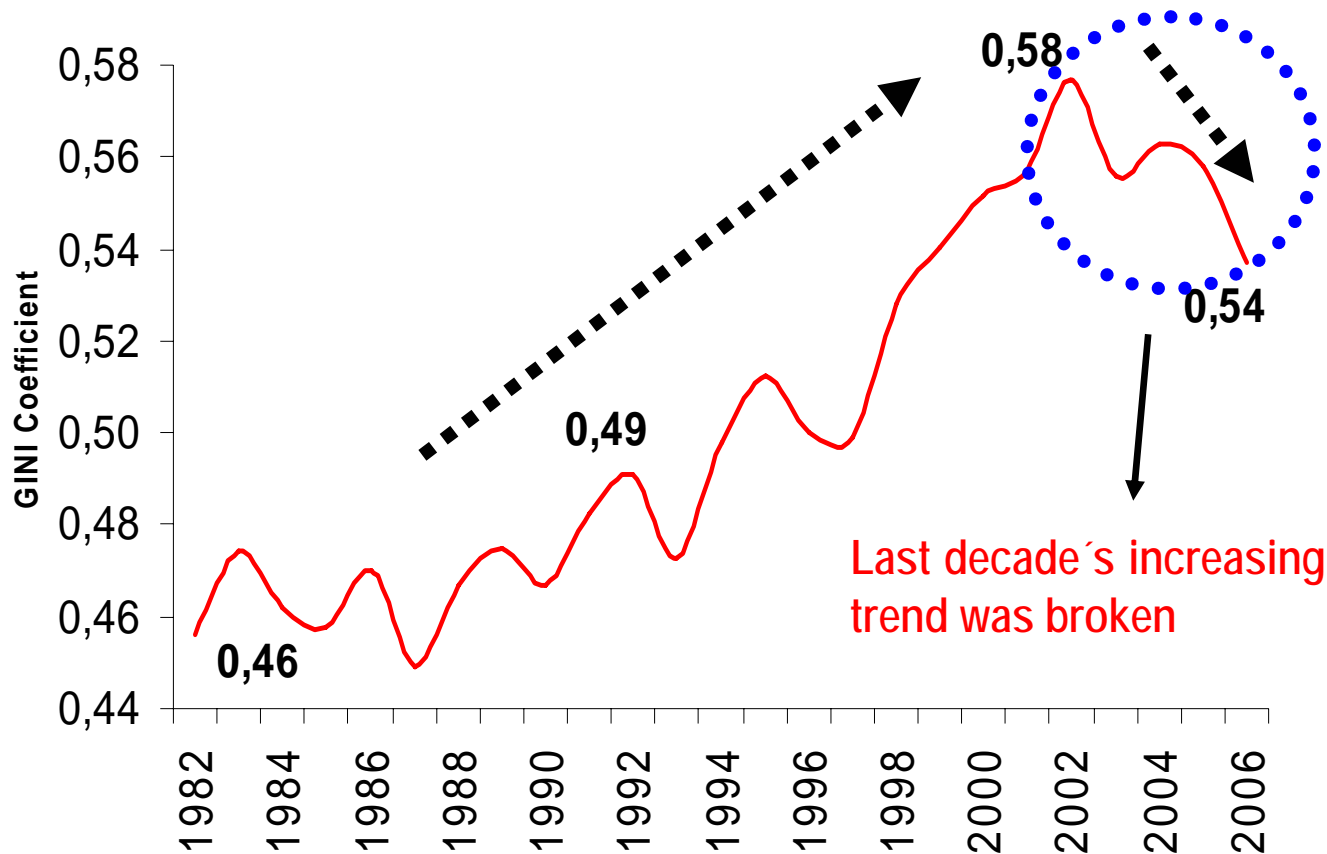
One dollar is extreme poverty's World Bank Standard

Source: DNP - Estimations MERPD based on ENH y ECH

... And income distribution is **improving**



The GINI coefficient has fallen 4 points between 2002 and 2006



With respect to participation in income, between 2002 and 2006

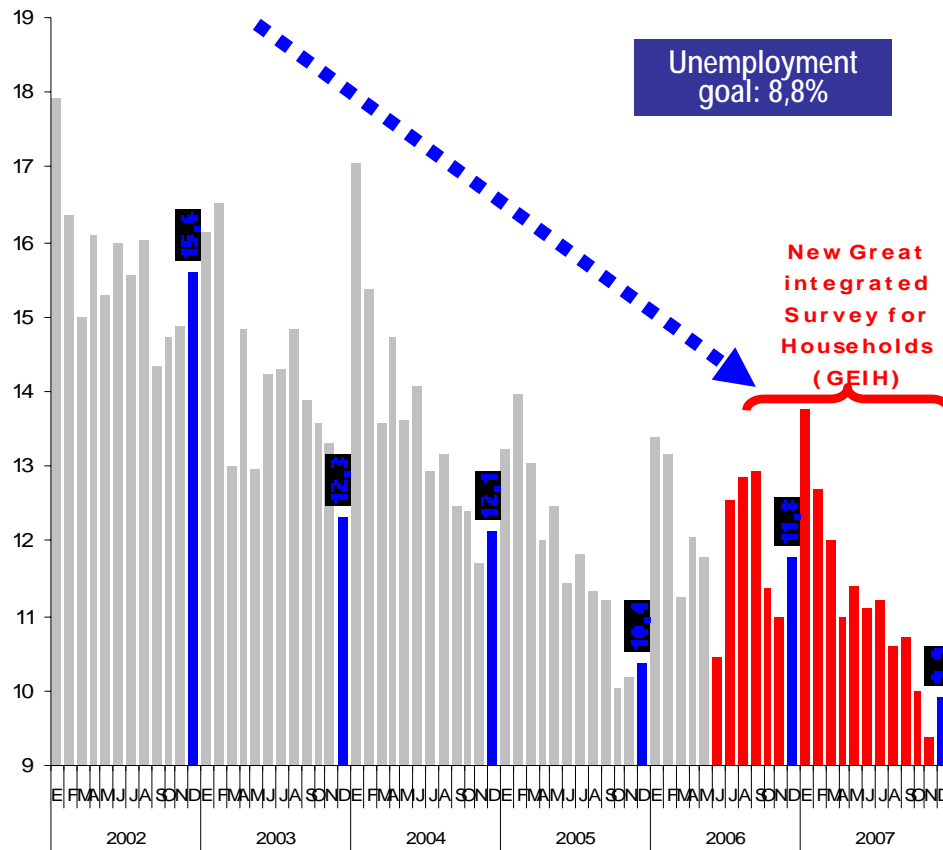
1. The poorest 50% increased its participation by 36%.
2. Medium income households increased by 8%
3. The richest 20% reduced it by 8%.

Unemployment has decreased

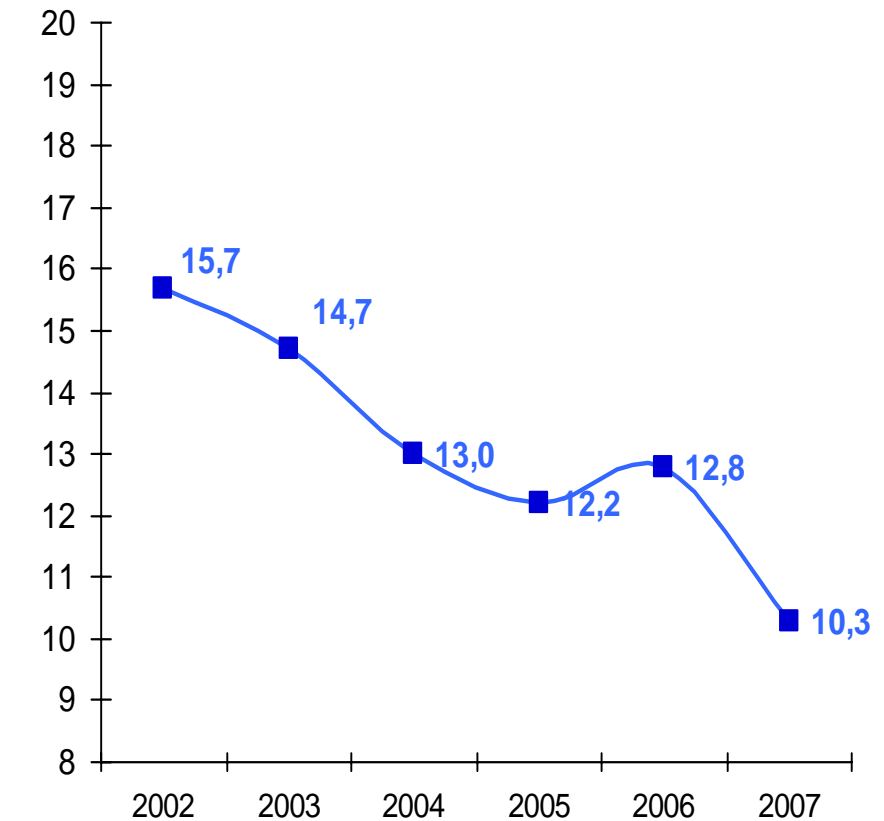


National unemployment is five percentage points below 2002.

For thirteen cities, the unemployment in december 2007 was 10.3%, more than five percentage points below 2002



Source: DANE



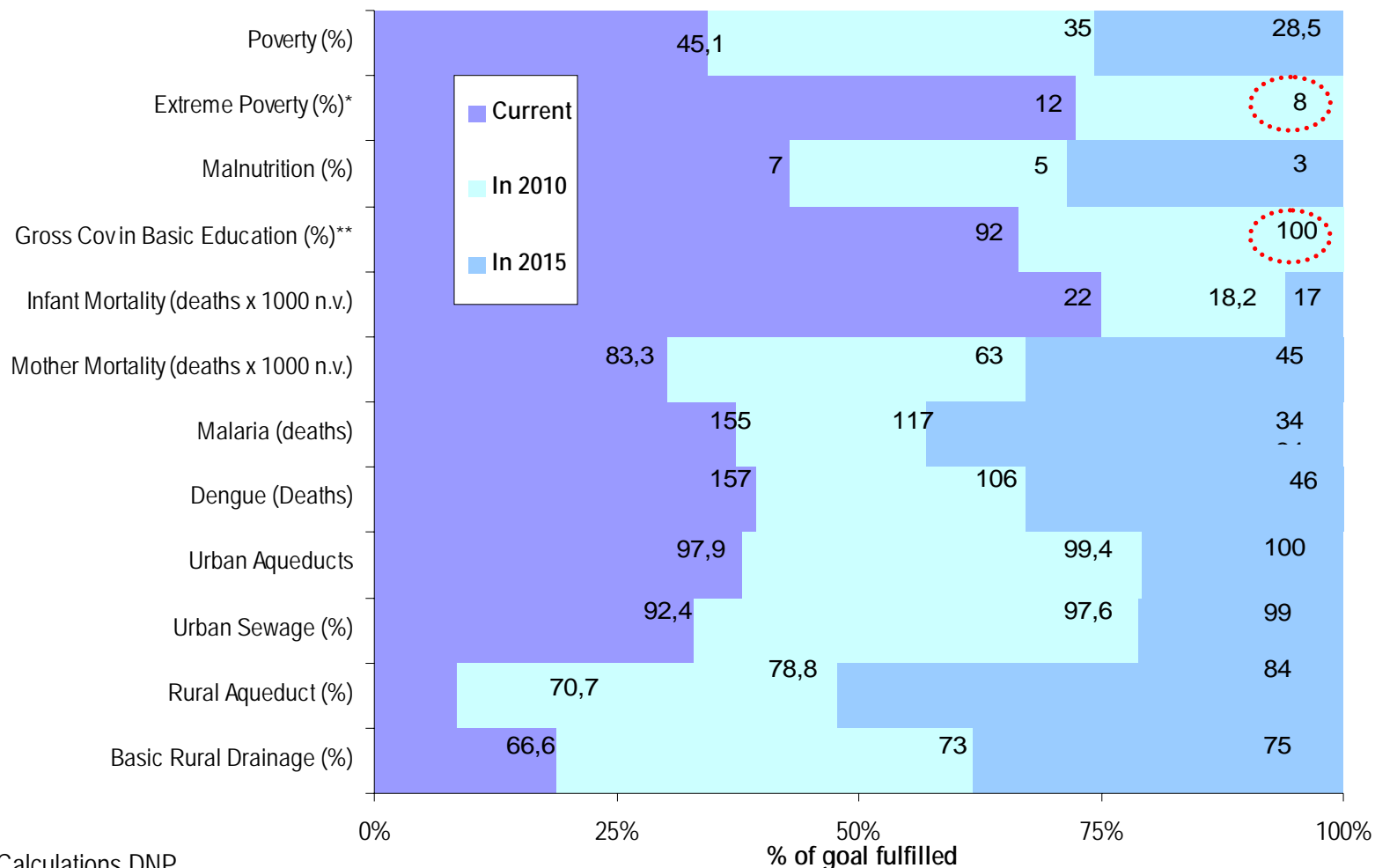
Source: DANE

The country has incorporated **the Millennium Development Goals** as an integral part of its social agenda



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... and has committed to fulfill them by 2015, and even by 2010.



Source: Calculations DNP.

* For the extreme poverty indicator, in 2010 the millennium goal will be surpassed (8.8%).

** The goal in basic education will be met by 2009.

Goals achieved before 2015

Universal Coverage in Health Insurance and better coverage in pensions and professional risks



Component

Goal

Integral Social Security



Universal coverage in the subsidized health system for 24.8 million people (6.6 million new affiliated)

Coverage in the contributive health system for 17.8 million people (1.5 million new affiliated)

Public Health:
100% access to prenatal care
95% institutional attention at birth
75% prevalence of modern family contraception methods

Increase pension coverage from 26.7% to 38 %

Increase affiliations to professional risks from 5.3 million to 6.2 million

Affiliates to the subsidized Health System

55% (11.4 m)

76% (19.5 m)

100% (24.8 m)

Affiliates* to the contributed Health System

12.6

17

17.8

Pension affiliates

22.5%

26.7%

38%

GOAL

2002

2007

2010

Support low income and vulnerable families for overcoming their condition



Component

Social Promotion: Creation of the Juntos Network for overcoming extreme poverty



Goal

In 2007 1.5 million people will join the *Familias en Acción* Program

In 2008 *JUNTOS* will benefit 1.2 million families in extreme poverty and all displaced families

JUNTOS will cover 1099 municipalities in 2008

Families belonging to *JUNTOS* will have preferential access to Government's social programs

Families in *JUNTOS* will have to achieve 51 goals in 9 dimensions

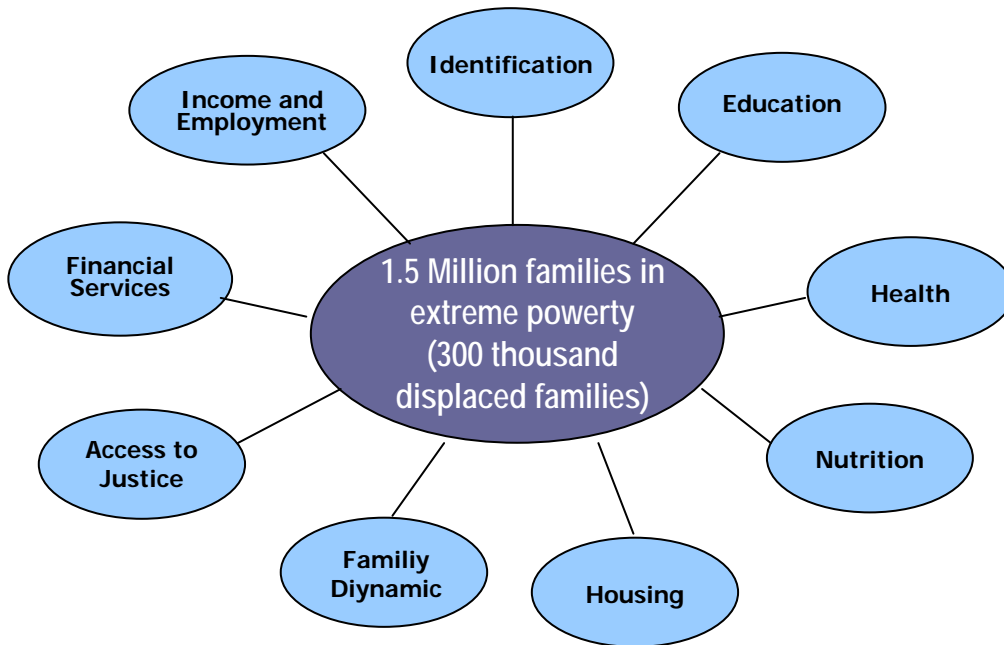
Beneficiary Families – <i>JUNTOS</i> *	n.a	42.189	1.500.000
Beneficiaries ICBF programs***	n.a	5.745.173	6.287.206
Beneficiaries – <i>Familias en Acción</i> (families)	320.716	1.500.000	1.500.000**
Subsidies for Senior Citizens	25.710	885.183	1.000.000
GOAL	2002	2007	2010

Support low income and vulnerable families for overcoming their condition



DNP
DEPARTAMENTO NACIONAL DE PLANEACIÓN

Juntos' Basic Goals



Juntos is a fundamental tool for the socioeconomic stabilization of displaced population.

Overcoming the obstacles to educational mobility will contribute to reduce income inequality



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DNP
DEPARTAMENTO NACIONAL DE PLANEACIÓN

Component

Education and job training:



Goal

Achieve universal coverage in basic education for 10.7 million children (1.5 million students)

Increase coverage in initial (400.000 children) and middle education with high quality standards

Programs to promote school attendance and permanence (*Familias en Acción* Program)

Increase coverage in higher education to 35%

Increase the availability of job training (1.4 million new places in the SENA)

Consolidate the "Sistema de Formación por Competencias", articulating formal and job education

Youth and adult literacy	n.a	597.657	1.000.000
Gross coverage in basic education	86% (7.7 m)	91% (9.2 m)	100% (10.7 m)
Gross coverage in higher education	20%	29%	34.7%
Openings in job training (SENA)	1.142.798	4.232.970	5.541.124
GOAL	2002	2007	2010

Provide **access to financial services** to create opportunities



Component

Goal

Increase access to Financial Services: seed capital for start-ups, savings, loans, insurance and other financial services



Financial coverage in 1099 municipalities in the country

5 million loans to micro enterprises

Increase to 3 million the number of savings accounts (1,5 million families in the JUNTOS Network)

850 thousand new affiliates to Cooperatives

Increase by 5% the access to the banking system in the next 4 years.

Microloans to micro and small firms

198.862

1.975.207

5.000.000

META

2002

2007

2010

More **employability**, improve **employment quality** and develop an **income generation** policy



Component

National System of Entrepreneurship and National System of Competitiveness



Goal

Reduce the unemployment rate from 11.9% to 8.8%.

Eradicate the worst types of child labor

An income generation policy which promotes entrepreneurship, competitiveness and develops people's skills

Develop differentiated support strategies for micro, small and medium enterprises (SME).

Decrease labor and business informality

Promote decent employment. Actions to promote labor bargaining.

Construction of regional labor agendas based on market demands. Promote regional employment agreements.

Unemployment rate (%)

15.7%

9.9%

8.8%

META

2002

2007

2010

Improve housing conditions and quality of life



Component



Goal

Optimize financing resources by creating regional investment funds

Achieve the implementation of the regional plans for water and sewage

Technical assistance to departments and municipalities to formulate housing projects

Development of saving programs – housing loans for low income households

Consolidation of “Virtual construction material banks” to provide information for low income families who wish to access housing.

Aqueduct (New population benefited)

n.a

39.050.000

43.100.000

Sewage (New population benefited)

n.a

36.800.000

41.800.000

Units of low income housing financed

265.000

395.885*

828.433

Goal

2002

2007

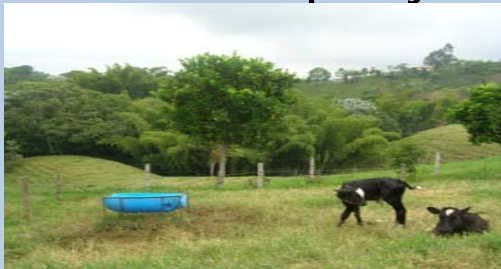
2010

Improve rural poor population **welfare** and the **capacity** to generate their **own income**



Component

Rural Equality



Goal

Grant 250.000 Ha. through financial aid for land acquisition subject to a productive project and direct allocation of land from domain extinction

Strengthen rural entrepreneurship: increase income and employment for 46.300 rural poor families through Rural Micro-enterprises Investment Opportunities and through Rural Productive Partnerships project..

Promote productive alternatives for the illegal-drugs related crops in 88.000 Ha. within the agriculture frontier.

Support low-income housing for 53.800 families

Hectares granted to poor families

60.110

42.194

250.000

Beneficiaries micro-enterprises investment

8.279

4.901

28.800

Beneficiaries Rural Productive Partnership

8.279

4.131

18.505

Beneficiaries low-income housing support

40.090

19.601

53.800

Goal

2002 -2006

2007

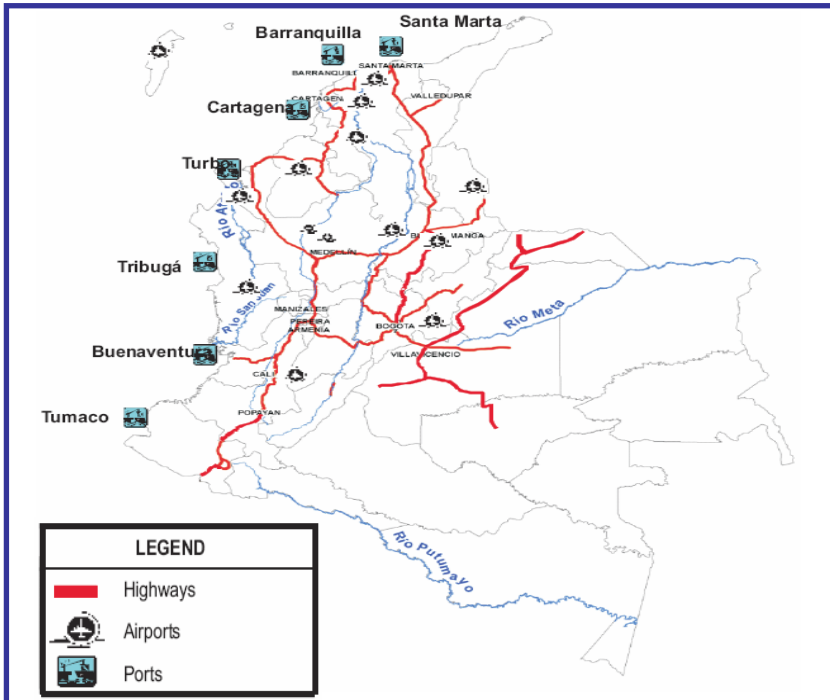
2010

Consolidation of investor Confidence with Social Responsibility



Component

Goal



By 2010 the government expects to have 1,400 kilometers of double lane highway (440 in 2006)

Access to information and communications techn.

10.5%

70.2%

93%

Internet access per 100 inhabitants

4.6

15.9

30.1

Coverage in electrical system in the N. I. S

90.2%

93.6%

95.1%

Port capacity (millions of tons)

120

170

210

Goal

2002

2007

2010

Goals



1. The goal for this current four-year term is to provide financial coverage for 1,099 Colombian Municipalities, to increase the number of micro loans granted by 5 million, increase the number of savings accounts by 3 million, to encourage 850,000 new associates in cooperatives, and to increase bankarization by 5% over the next 4 years.
2. To negotiate and sign all the free trade and investment agreements. Those agreements will then translate into exports in the amount of 40 billion dollars in 2010, with processed exports increasing from 35% to 45% of the total.
3. To reach a volume of 4 million foreign visitors per year by 2010. Income from tourism will increase by 100%, going from 2 billion dollars to 4 billion dollars annually by the end of the four-year term.
4. To attract annual foreign investment flows of 12.5 billion dollars through the new tools implemented to transform the country's productive base.



THANK YOU