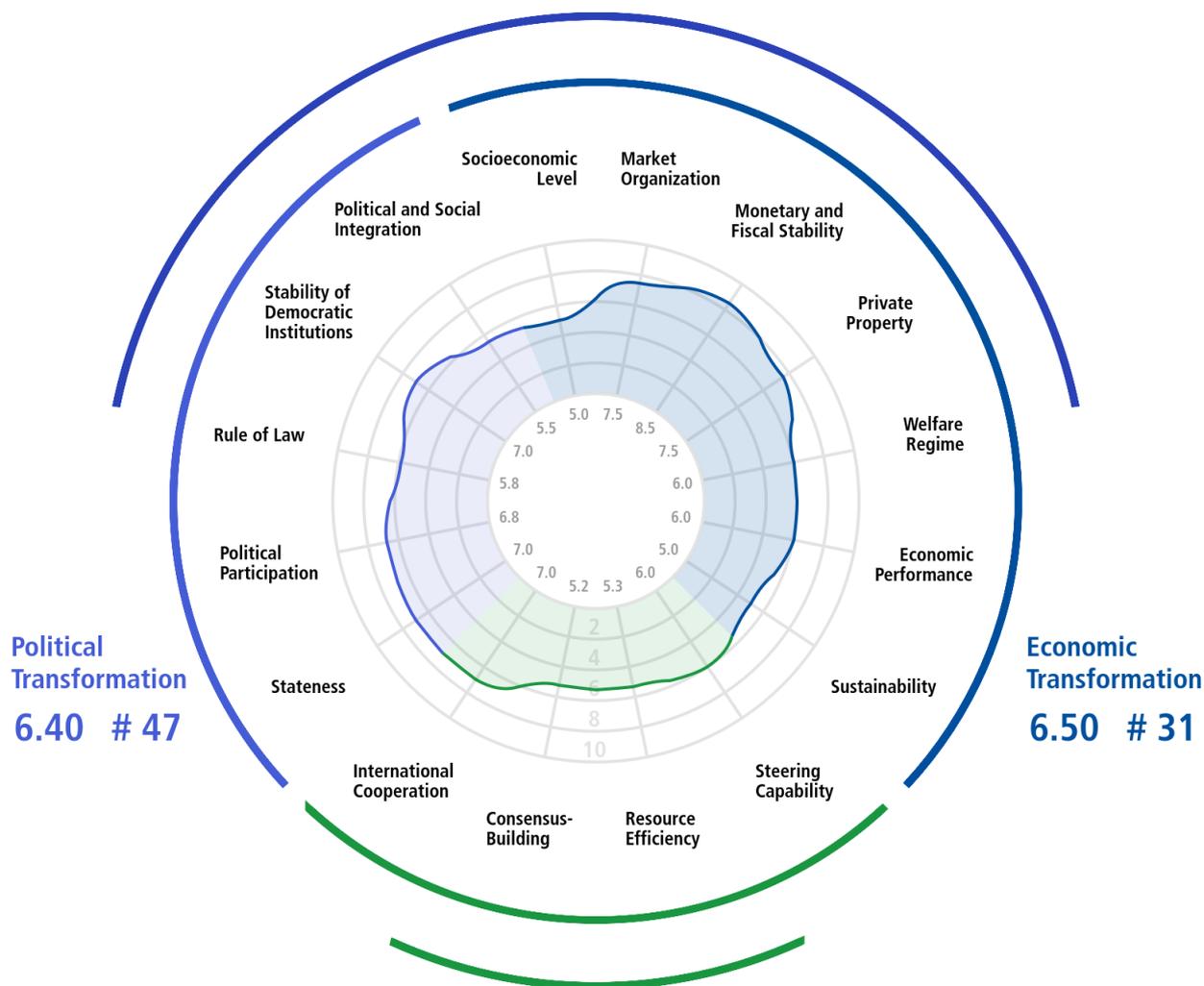


Colombia

Status Index

6.45 # 35

on 1-10 scale out of 137



Political Transformation
6.40 # 47

Economic Transformation
6.50 # 31

Governance Index

5.24 # 50

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

Sabine Donner

Phone +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

Hauke Hartmann

Phone +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

Claudia Härterich

Phone +49 5241 81 81263
claudia.haerterich@bertelsmann-stiftung.de

Sabine Steinkamp

Phone +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de

Key Indicators

Population	M	50.9	HDI	0.767	GDP p.c., PPP \$	14565
Pop. growth ¹	% p.a.	1.1	HDI rank of 189	83	Gini Index	51.3
Life expectancy	years	77.3	UN Education Index	0.682	Poverty ³	% 12.7
Urban population	%	81.4	Gender inequality ²	0.428	Aid per capita \$	17.9

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The review period was marked by paradoxical trends and new challenges. The landmark peace agreement in 2016 between the Colombian government and the FARC renders a mixed picture. On the one hand, the accord put an end to a government war with one of the oldest and largest left-wing guerrilla groups, thereby opening new avenues for significant changes in political participation, local development, and transitional justice. On the other hand, violence has not ceased; instead, there has been a reconfiguration of non-state armed actors with a surge of violence in some regions. Human rights advocates, grassroots leaders, and former FARC combatants are the main target of the new wave of violence. A number of public agencies have been deployed in marginalized areas to implement the agreement. Simultaneously, the Duque administration's efforts to alter the cornerstones of the peace deal and the president's lack of commitment have hampered progress in its implementation.

Increasing citizen discontent has been manifested through massive protests. The violent response of the government to heightened social mobilization has highlighted the persistence of police brutality and the lack of guarantees over the right to protest. In the 2019 local elections, there was a noteworthy increase in the diversity of candidates, particularly from grassroots organizations and the political left. Progressive candidates and centrist and left-wing political parties achieved significant success. In contrast, the performance of the right-wing and government party, Centro Democrático, was lackluster. Connected to this, the power of former president, Álvaro Uribe, has declined in the last years. His political project based on hardline security approaches and polarization has lost favor among the population. Decisions of the judiciary regarding criminal investigations involving Uribe have also dealt a major blow to his credibility.

Colombia is committed to the promotion of a political transition in neighboring Venezuela. Diplomatic ties to the regime of President Nicolás Maduro remain broken. Due to the political and economic crisis in Venezuela, at least 1.7 million migrants have crossed the border into Colombia. In early February 2021, President Iván Duque announced an initiative to grant "Temporary Protection Status" to Venezuelan migrants for ten years.

The Colombian economy maintained steady levels of growth until 2019. However, there is a high dependence on mineral and oil extraction, significant inequality, and a large informal sector. Progress in poverty reduction and services provision were made despite structural problems in the area of public finances. At the end of 2019, a tax reform was passed in Congress.

The impact of the COVID-19 pandemic on Colombia's political and social transformation has been profound. As of January 31, 2021, Colombia reported a total of 2,077,333 cases and a death toll of 53,284. The Colombian government undertook several measures to mitigate the socioeconomic impacts of the COVID-19 pandemic, including the strengthening of health care infrastructure, deployment of fiscal policy, and expansion of social assistance programs. The pandemic has disrupted the provision of social services, particularly education and access to justice. The economy contracted by approximately 8%. Unemployment reached 15% and it is estimated that six million people were tipped into poverty. The country's debt reached 68.2% of GDP. The coronavirus pandemic has exacerbated long-standing macroeconomic problems, such as the high budget deficit, the large size of the informal sector, significant inequality, and low levels of tax revenue. Vaccination of the population against COVID-19 is scheduled to begin in February 2021, though it is highly unlikely that the majority will be immunized by the end of 2021.

History and Characteristics of Transformation

Political and social transformation in Colombia has been shaped by the interaction of democratization and marked-oriented reform processes and multiple forms of violence, conflict and inequality. The historical agreement between the Colombian government and the FARC signed in 2016 marks the most recent milestone in Colombia's ongoing endeavors to end violence and build a strong democracy.

The country was lashed by a political conflict known as "La Violencia" between 1948 and 1958. From 1958 to 1974, the political elite of the Liberal and Conservative parties established a system of power alternation known as the "National Front" as a response to the wave of rural political violence. The Revolutionary Armed Forces of Colombia (FARC) guerrilla organization consolidated their presence during those years. Economically, the years between 1958 and the 1980s were characterized by a "soft" protectionist model of economic growth: the import-substitution industrialization strategy.

Even though the country showed reasonable economic growth and a stable macroeconomic environment during that time, income distribution worsened, the dependency on coffee exports increased, and the success of infant industries did not come to pass. Structural economic reforms began in the late 1980s and were deepened and extended by the liberalization reforms of President César Gaviria (1990 – 1994), whose so-called "apertura," or opening policies, effectively internationalized the country's hitherto fairly isolated market. However, the economy did not grow as fast as expected, and several economic sectors, such as agriculture and manufacturing, were negatively affected by Gaviria's reforms.

Whereas the country's security situation deteriorated during the 1990s due to the emergence of paramilitary groups and the burgeoning illegal drug trade, the 1991 constitution represented a major advance in the process of democratization and political transformation of the country. It created crucial institutions such as the Attorney General's Office, the Constitutional Court, the democratic election of governors, and it spelled out several human rights and proclaimed Colombia as a constitutional state.

In the late 1990s and early 2000s, the Pastrana government (1998 – 2002) conducted an unsuccessful peace process with the FARC, which led to the radicalization of political discourse in the country. Álvaro Uribe (2002 – 2010), who was elected president on a strict anti-FARC agenda, reformed the armed forces with financial support from the United States under the Plan Colombia and allowed the army to deliver historical blows to the FARC. Uribe's so-called Democratic Security Policy was aimed at the recovery of territory for the state and the elimination of illegal armed actors. Economically, GDP grew at an average of 3.7% between 2003 and 2008, and foreign direct investment was made a centerpiece of the country's economic strategy.

Juan Manuel Santos (2010 – 2018) embarked on a new attempt at a peace process with the FARC in 2012. The process ended with the final peace agreement ratified by Congress and the international recognition of the president's commitment to peace by awarding him the Nobel Peace Prize, both in December 2016. The accord implementation has been a matter of contestation in Colombia politics. The discontent with the terms of the agreement and a context of growing polarization led to the election of Iván Duque as president in 2018. The transitional phase has been characterized by the efforts of the government to change the deal and slow down its implementation vis-à-vis the changes and new opportunities that the peace process brought about. The agreement led to the emergence of some pockets of peace but failed to prompt structural transformation. Whereas homicide rates have steadily declined over the last years, there has been a surge of violence in some areas of the country. There is a plethora of illegal armed actors, including left-wing guerrillas, successor paramilitary groups and organized crime groups.

While Colombia has made important advances in efforts to end the political violence and strengthen democracy, issues such as sustainable growth, inequality, poverty and corruption have remained major challenges.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state's monopoly on the use of force remains an incomplete task. The Colombian state coexists in its territory with several non-state armed actors. The constellation of non-state armed actors active on the ground encompasses rebel forces such as the Ejército de Liberación Nacional (ELN), the Ejército de Liberación Popular (EPL), both dissidents and rearmed factions of the demobilized FARC, and right-wing paramilitary successor groups and organized crime organizations.

Colombian governments have strived to weaken the power of guerrillas, paramilitary groups, and other illegal actors during previous decades. The 2016 peace accord with the FARC put an end to a five-decade war against the largest armed group. However, the accord's promise of ushering in a new phase of peace has not been fulfilled. Under the presidency of Iván Duque (2018 – 2022), the agreement's implementation has been challenged and weakened. Violence persists in several areas of the country, particularly in zones formerly controlled by the FARC and where coca crops and illegal mining occur.

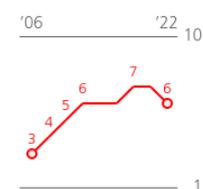
From a national perspective, violence has followed a downward trend since 2008. In 2019, the country had a homicide rate of 25.4 homicides per 100,000 inhabitants. The rate further decreased in 2020, falling to 23.9, the lowest the country has reported since 1974. However, the picture from a subnational level renders a mixed result. Whereas violence in urban centers and a few war-torn areas has declined, regions historically affected by armed conflict have witnessed heightened violence. The average homicide rate in the 170 municipalities prioritized for the implementation of the peace accord is far above the average of the rest of the country (54.6 vs. 20 in 2019).

Competition among non-state armed groups for the control of resources and territory is one source of violence. Violence is also wielded by local stakeholders opposing the implementation of the peace accord and grassroots social mobilization. Social

Question
Score

Monopoly on the
use of force

6



leaders and human rights defenders have become the main victims of targeted violence. According to INDEPAZ, there were 279 and 310 assassinations of social leaders in 2019 and 2020, respectively. Selective killings have likewise endangered the life of former FARC combatants. 77 ex-combatants were murdered in 2019 and 64 in 2020. In addition, there has been a surge in massacres, defined as the killing of three or more people in a single incident. Data from the UN and INDEPAZ report that 36 massacres were perpetrated in 2019 and 91 in 2020.

Most citizens acknowledge the nation-state's legitimacy. The Colombian constitution enshrines equal rights (civil, political, social, and collective ones) to every citizen regardless of their race, religion, gender, or political beliefs. Although citizenship is formally granted, populations in rural and urban peripheries, indigenous, Afro-Colombians, and peasants do not enjoy substantive citizenship, as they lack the material means to realize their rights and have been neglected by the state. Due to the gap between the law and the real materialization of rights, the Constitutional Court has often intervened to compel the state to implement the required policies. Non-state armed actors are the source of rule and governance provision in some rural and urban marginalized areas.

The arrival of a significant number of Venezuelan immigrants, amounting to around 1.7 million people, has led to a humanitarian crisis and strained the capabilities of the Colombian state to provide assistance. The increase in the demand for public services and employment in the contexts of already limited resources and infrastructure have led to rising tensions and sparked xenophobic attacks in recent years. In August 2019, the Colombian government enacted a decree granting citizenship to 24,000 children born to Venezuelan migrants in the territory since 2015. In February 2021, President Iván Duque announced an initiative to grant "Temporary Protected Status" to Venezuelan migrants for ten years.

Freedom of religion is a constitutionally protected right. The law protects individuals from discrimination based on religious beliefs and practices. The 1991 constitution defines the Colombian state as secular. Nevertheless, the Roman Catholic Church holds formal and informal privileged status.

There is no noteworthy intervention of religious dogmas in political institutions or public policy design. However, progressive rulings made by the Constitutional Court on issues such as abortion, same-sex marriage, and same-sex adoption has prompted the mobilization of political movements based on a conservative agenda and has stimulated an increase in the participation of Christian Evangelical churches in electoral politics. Opposition to "gender ideology" has gained visibility in political debate.

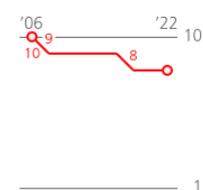
State identity

8



No interference of religious dogmas

8



The state has engaged in the expansion and strengthening of basic administrative structures. Yet large swaths of territory remain without access to public services provision in an efficient and reliable fashion. Corruption, gaps in basic infrastructure, the impact of the armed conflict, and lack of technical skills and personnel affect state capacity. In Colombia, the state's functions and activities are decentralized to a significant extent. Municipalities are responsible for delivering crucial services such as water supply, basic health, and education.

The Colombian state has a limited capacity to raise fiscal revenue. Tax revenue was only around 18% in 2018, according to the OECD. Colombia obtained a score of 5 out of 10 in the Access to Effective Justice Index 2017. According to the national statistics department data for 2019, 87% of households have access to water and 74.4% to sewage systems. Approximately 96% of Colombians are included in the national social security health system. Despite progress toward universal health coverage and the fact that most of the population is formally insured, a significant segment still lacks material access to health services. The Ministry of National Education reported an enrollment rate of 96.41% for primary and secondary levels in 2017.

To improve the infrastructure and facilitate connectivity throughout the territory, the government committed to the Four Generation (4G) road program. As of December 2020, the national infrastructure agency reported an average progress of 46%. The completion of seven of the 30 planned roads is projected to be 2021.

The COVID-19 pandemic disrupted the provision of public services such as education, justice, and health care. Schools and universities were closed between March and July 2020 as part of the measures to contain the spread of the virus. These closures affected 12,842,249 students, according to UNESCO. In August 2020, educational institutions were allowed to gradually reopen based on a hybrid scheme combining in-person and distance learning. As of January 2021, schools are supposed to continue operating under this modality. In reality, however, many schools had not managed to successfully implement the new scheme. Additionally, a dramatic increase of COVID-19 cases prompted new school closures.

The COVID-19 pandemic obstructed the functioning of the legal system, affecting access to justice. The judiciary suspended the terms of legal proceedings, with the exception of criminal law, court hearings, and administrative processes from March to July 2020. Exempted from the suspension were fundamental functions such as the constitutional examination of decrees and administrative acts enacted as part of the state of emergency, as well as tutela (a constitutional complaint for the urgent protection of fundamental rights) and habeas corpus actions. To mitigate the pandemic's negative impact, the judicial sector turned to remote working and use of technology. In general, migration to online platforms for delivering public services

Basic
administration

6

'06 _____ '22 10



1

has intensified the digital divide and created new barriers to access, affecting the rights of the most vulnerable populations in rural and urban areas.

The COVID-19 pandemic has strained the Colombian health care system's capacity and slowed health services provision. The use of telecare and homecare has enabled the continuity of primary health care. The operating capacity of health facilities has been expanded since the beginning of the pandemic. The Ministry of Health and Social Protection reported an increase of 120% in the number of intensive care units (ICU) between March 2020 and January 2021.

2 | Political Participation

Democratic elections are held regularly at the national and subnational levels. Universal suffrage with secret balloting is ensured, several parties with diverse platforms field candidates, and political posts are filled according to election outcomes. Nonetheless, fraud, violence, vote-buying, opaque campaign financing and candidate-selection mechanisms, and lack of enforcement of electoral laws continue to affect the fairness of elections and the quality of democracy.

Local and regional elections were held in 2019. For these elections, the electoral observation mission (MOE) registered 107 attacks on candidates and social and grassroots leaders, including 34 murders. Furthermore, the MOE received 2,613 reports of irregularities related to voter constraint, corruption, illegal propaganda, and public servants' political interference.

During the review period, a scandal arose in connection to the alleged links between the electoral campaign of the current president, Iván Duque, and the drug-trafficker Jose Guillermo Hernández, known as Ñeñe. The recording of calls between Hernández and members of Duque's campaign revealed the existence of a vote-buying scheme financed with drug money. Prosecutors have not taken any significant action on this case to date.

Congress discussed and approved a major reform to electoral legislation. The new law was passed in December 2020 and will come into effect after presidential approval and Constitutional Court review. The law establishes a gender-parity system for candidate lists, thereby improving on the previous women's quota of 30%. Likewise, the electoral code includes provisions regarding the implementation of electronic voting, electoral census updates, and information management.

Due to the COVID-19 pandemic, local elections for community action committees (Juntas de Acción Comunal in Spanish) were postponed to 2021.

Free and fair elections

7

'06 '22 10



1

In principle, elected rulers possess the effective power to govern without undue interference by veto actors. However, economic groups and businesses wield considerable influence over decision-making processes. In this regard, the current administration has been criticized for favoring the interests of industrial and business elites. For instance, amid a wave of protest in December 2019, the government passed a tax reform package that included a cut to the corporate tax rate, among other benefits for corporations. In rural territories, the government is vulnerable to the violence of illegal armed actors as well as to the power of local elites and landowners that resist democratic reforms by means of clientelism, co-optation, and violence against political competitors and grassroots activists.

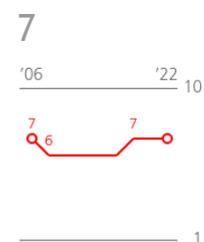
The constitution guarantees freedom of association and assembly, and these rights are enforced. Political and independent civil groups are allowed to form freely. However, legal provisions and institutional design have the potential to obstruct the recognition of minority political parties. This is the case for the Colombia Humana movement, led by Gustavo Petro. Despite obtaining second place in the 2018 presidential election and being the formal leader of the opposition, the political movement that supported Petro's candidacy has been systematically denied legal recognition as a political party.

The landmark 2016 government peace agreement with the FARC opened new venues for participation, fostering the mobilization of sociopolitical forces. Yet, in the last few years, the space for civil society to operate has shrunk. A clear instance is the surge of targeted violence against human rights defenders and grassroots activists, known commonly as social leaders.

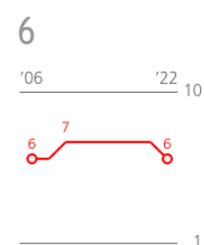
Social discontent and police brutality have led to heightened social mobilization in the period under review. The response of the government and security forces has been characterized by intimidation and outright violence. In late 2019, massive protests demanding political and economic change occurred across the country. The government deployed anti-riot police and military units to control the demonstrations and patrol the streets. Excessive use of force led to the death of at least three citizens and left hundreds injured. In September 2020, the death of a citizen in police custody in Bogotá ignited a wave of protests. Police responded with extreme violence and opened fire on the demonstrators. Clashes between the police and protesters left a death toll of 14 citizens in Bogotá and Soacha. On September 22, 2020, the Supreme Court issued a ruling recognizing that the national police, and notably the mobile anti-riot squad (ESMAD), had systematically violated the right to peaceful protest. The court ordered the government and security forces to implement a set of measures to prevent and punish arbitrary intervention in demonstrations and protests.

Although COVID-19-related measures such as quarantine, curfews, and isolation measures constitute de facto limitations on assembly rights, no legal instrument to explicitly curtail these rights has been enacted. As of January 2021, there is no quarantine or curfews in place at the national level. However, some measures remain in force in certain areas by order of subnational governments.

Effective power to govern



Association / assembly rights



Freedom of expression and information are guaranteed by the Colombia constitution. In practice, however, these rights are subject to the interference of government and security forces as well as other de facto restrictions. Colombia ranked 130 (of 179) in the Press Freedom Index 2020. The country is described as one of the most dangerous for journalists in the Western Hemisphere. Particularly concerning is the persistence of death threats, physical attacks, stigmatization, and being the subject of spying by the security forces. The Foundation for the Freedom of Press (FLIP) registered 515 attacks against journalists in 2019, including 137 death threats, four assassinations, and four kidnappings.

Journalists have been the target of illegal spying by security forces. In May 2019, the news magazine *Semana* revealed that the intelligence unit of the Colombian military had illegally spied and gathered information on around 130 people, including Colombian and foreign journalists. Surveillance was conducted using equipment provided by the United States as part of military cooperation to combat organized crime and drug-trafficking. Likewise, journalists reporting on sensitive issues frequently face harassment by state agents and politicians.

Media ownership remains in the hands of powerful economic groups with close ties to the government and cabinet members. Predominant news and opinion outlets generally champion pro-government perspectives at the expense of diverse content and critical voices. A relevant change in the media ownership structure in the period under review was the acquisition of the media company *Publicaciones Semana* by the Gilinski Group. *Publicaciones Semana* is the owner of *Semana*, a weekly magazine that used to be one of the most influential news outlets in Colombia known for high quality investigative journalism. Modifications to the editorial board and editorial approach of the magazine prompted the resignation of editors, journalists, and columnists in November 2020. Media concentration notwithstanding, technological changes have enabled the proliferation of alternative sources of information and watchdog journalism based on online platforms.

The constitution grants the right to access public information. Through a mechanism called “right to petition” (*derecho de petición* in Spanish), citizens have the right to submit requests for information and public institutions are required to answer requests within a time frame that varies between 10 to 30 days depending on the type of information demanded. As part of the measures implemented due to the COVID-19 pandemic, the Colombian government doubled the deadline for responses to these requests.

Freedom of
expression

7



3 | Rule of Law

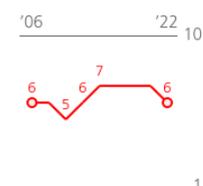
The 1991 constitution guarantees the separation of power between the executive, legislative, and judicial branches. The law includes autonomous constitutional and electoral institutions. In practice, the balance of power varies according to the political group in power. From the beginning of his presidency and during 2019, the government of President Iván Duque had limited capacity to act, with a fragile congressional coalition, leading to serious difficulties in securing the necessary support required to pass reforms. In the last year, however, this scenario has changed and there has been a concentration of power within the executive. President Duque appointed political allies to the head of the attorney general's office, the office of the inspector general, and the office of the ombudsman. These decisions have raised serious concerns regarding the loss of autonomy of crucial accountability branches and the erosion of checks and balances, as noted by Transparency International in September 2020. In addition, the measures taken in the wake of the COVID-19 pandemic and disruptions in the functioning of the legislative apparatus allowed an increase in presidential power.

In the wake of the COVID-19 pandemic, President Duque declared a state of emergency twice in 2020 (the first one in March and the second in May), based on article 215 of the constitution. This provides the executive with the power to issue decrees with the force of law in the face of economic, social, or ecological crises. The government's imposition of a state of emergency did not contravene constitutional rules in terms of duration and procedure. However, there were significant delays in the Constitutional Court's judicial review thereof.

According to official data, 138 decrees were enacted during the two states of emergency. Whereas some decrees were approved on the basis of extraordinary powers, others were enacted as ordinary measures. Depending on the type of measure (extraordinary vs. ordinary), political controls and judicial review vary. Compared to ordinary measures, extraordinary ones are subject to stricter rules in terms of scope, duration, and oversight. The unprecedented scenario set by the COVID-19 pandemic led to changes regarding the controls of ordinary power measures. Hence, despite these measures being in principle subject to judicial review by the state council only upon a challenge, the state council decided to exercise automatic judicial review of all measures. Experts and human rights advocates point out that President Duque enacted most of the measures using ordinary powers and relied on this mechanism to legislate on substantive matters that are not directly related to the COVID-19 pandemic emergency. Complicating matters is the fact that some measures altered the power distribution between the national and subnational levels, weakening local authorities' faculties regarding resources allocation, finances, and public security.

Separation of powers

6



1

During the COVID-19 pandemic the functioning of Congress was severely disrupted, affecting its capacity to debate and oversee lawmaking. Lack of clarity regarding the legal framework and procedures to hold sessions virtually hindered the prompt reestablishment of its functions. In addition, technical problems and limited knowledge of online tools hampered its operations. Therefore, there was no due and timely oversight by the legislative branch in the early days of the pandemic, particularly during the first state of emergency, and lags and inefficiency have characterized its functioning since.

Colombia's judiciary is independent and autonomous. The judiciary comprises the Constitutional Court, the Supreme Court, and the state council. The 2016 peace agreement with the FARC created the Special Jurisdiction of Peace (JEP) as part of the transitional justice system. Corruption, inefficiency, and limited territorial operability have undermined the confidence of citizens in the judiciary. According to the 2019 Political Culture Survey, conducted by Colombia's national statistics department DANE, only 16% of the respondents trust the judiciary.

In the review period there have been situations of undue interference of the executive and other political actors in judiciary affairs. In August 2020, the Supreme Court ordered former president, Álvaro Uribe, to be placed under house arrest, as part of an investigation into bribery and witness tampering. The court's decision was met with outrage from members of Centro Democrático, Uribe's political party, and other influential politicians. More importantly, President Iván Duque went on national television to express his support for Uribe and criticized the court's ruling. Similarly, in September 2020, a ruling of the Supreme Court safeguarding the right to protest was the target of criticism by President Duque, pro-government political actors, and some members of the security forces.

Judicial decisions regarding the peace process have been a continuous source of friction between the judiciary and the executive and political sectors opposed to the peace agreement with the FARC. In early 2019, Duque refused to sign the bill establishing the JEP's legal framework. Instead, he objected to six important articles of the draft law and returned it to Congress. In the end, both Congress and the Constitutional Court rejected his objections, so Duque had no option but to sign the bill. President Duque and the Centro Democrático political party have frequently criticized the decisions of the JEP, arguing that it is a court created in order to grant impunity to the FARC.

Independent
judiciary

6

'06 _____ '22 10



1

The prosecution of office abuse is a principle generally respected. However, corruption and clientelism remain as salient problems of Colombian politics. According to the secretary of transparency of the presidency of the republic approximately 95% of corruption complaints involve deeds by officials at the subnational level.

The arrest of former senator, Eduardo Pulgar, on charges related to influence peddling and bribery is an example of effective prosecution of office abuse. Seeking a more lenient treatment, Pulgar tried to bypass the court's jurisdiction by resigning his seat as senator so that the case would be transferred to the office of the inspector general. However, in February 2021, the court ruled that it would continue with the investigation. The maneuver attempted by Pulgar illustrates that, although officeholders who abuse their positions and engage in corruption are generally prosecuted, they often try and sometimes succeed at exploiting political, legal, or procedural loopholes.

The appointment of Margarita Cabello as the head of the office of the inspector general in 2020 has raised concerns regarding the independence of the official branch in charge of the oversight of the conduct of public servants. Cabello, who is the former justice minister, allegedly has close ties to political groups whose members have either been accused of or are under investigation for vote-buying, malfeasance, and bribery.

Public scrutiny and media reporting are of the utmost importance in making visible and holding to account those officeholders involved in corruption. Nonetheless, journalists and citizens at the local level are vulnerable to intimidation and retaliation.

The Colombian constitution and corresponding laws codify civil rights and provide the mechanisms to enforce them. The tutela constitutes an expeditious procedure under which citizens can demand the urgent protection of their fundamental rights. The Constitutional Court is an independent tribunal that historically has been committed to the safeguarding and protection of human rights, particularly in the case of minorities. The offices of inspector general and ombudsman are tasked with oversight and protection of human rights. Despite the law and institutional arrangements, civil rights are not fully respected in Colombia. The situation is particularly concerning in conflict-affected areas, where citizens face the threat of violence wielded by several criminal groups.

The killings of community activists and human rights advocates (known as social leaders) and former FARC combatants, as well as the surge in the number of massacres, are particularly alarming. These crimes are generally attributed to illegal armed groups. However, experts and human rights advocates have drawn attention to the role of shady alliances between local elites, state agents, and criminal actors in the phenomenon. Violence by security forces persists as a worrisome issue in the period under review. Abuses include unlawful killings, arbitrary detention, beating,

Prosecution of office abuse

6

'06 _____ '22 10



1

Civil rights

5

'06 _____ '22 10



1

torture, and sexual violence. The NGO Temblores registered 289 killings committed by members of the national police between 2017 and 2019.

Discrimination against ethnic and gender minorities is still widespread. According to the National Report of Inclusive Employment 2018 - 2019 (INEI in Spanish), compared to the national average, indigenous communities' multidimensional poverty level is 2.5 higher. In the case of Afro-Colombian, Raizal and Palenquero communities, the figure is 1.5 higher. In the period under review, discrimination and xenophobic attacks against Venezuelans have gained notoriety. Colombia has received the largest number of Venezuelan exiles (around 1.7 million) fleeing poverty and insecurity. Many newcomers face poverty and unemployment in Colombia.

Emergency measures in response to the COVID-19 pandemic have curtailed freedom of movement and access to justice. Colombia implemented social isolation measures early on, including a strict lockdown and curfews. Constitutional procedures for the protection of human rights such as tutela and habeas corpus actions have remained in place, and citizens can rely on them for protection against abuses. For instance, additional self-isolation measures imposed on all adults over 70 years old had to be modified after a challenge via tutela. The implementation of restrictions on individual mobility based on gender and/or ID number has led to discrimination and harassment against trans and/or gender-nonconforming people.

The civil rights of the prison population have been curtailed during the COVID-19 pandemic emergency. Prison riots demanding adequate sanitary conditions occurred in March 2020. 24 detainees died and 107 people, including prison guards, were injured. An investigation undertaken by a group of forensic experts commissioned by Human Rights Watch concluded that the detainees were intentionally killed. In April 2020, the government issued a decree releasing over 4,000 detainees to house arrest in order to reduce the incidence of the virus in the prison system.

Illegal armed groups have used violence to enforce social distancing measures. For instance, the ELN in the south of Bolívar and a FARC dissident group in Tumaco imposed strict curfews over local populations, warning that those who failed to comply would be treated as military targets. Furthermore, the enforcement of COVID-19 related rules has resulted in human rights abuses by police agents and the military.

4 | Stability of Democratic Institutions

Democratic institutions are stable and perform their functions. However, limitations regarding state capacity, corruption, and frictions between branches of power and levels of government hinder their efficiency. The 1991 constitution set the basis of political, fiscal, and administrative decentralization. Regional and local governments have a broad array of competencies. Despite remarkable improvements in institutional strength and coordination, misalignments between the national and local authorities still hamper the operation of democratic institutions.

The political disputes around the implementation of the peace agreement with the FARC and the surge of violence during the period under review have cast doubt on the Colombian state's credibility to abide by its commitments and fueled uncertainty regarding the future of ex-combatants and populations in conflict-affected territories.

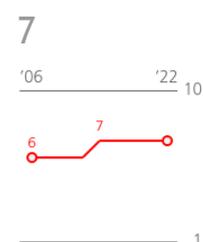
The COVID-19 pandemic has slowed down the functioning of democratic institutions, namely the judiciary and congress. The performance of the latter has been particularly lackluster during the pandemic.

In principle, all relevant actors accept democratic institutions as legitimate. The 2016 government peace deal with the FARC and the latter's integration as a political party within Colombian democracy has been a breakthrough in this realm. Yet, the implementation of the agreement and the FARC's political participation has become contentious and has led to a polarization in Colombian politics. From a subnational perspective, landowners and political elites resist democratic reforms.

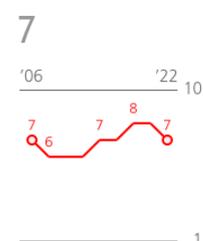
Radical factions of the political left and right display anti-democratic views. Particularly concerning in the period under review was the reaction and attacks on the judiciary by President Iván Duque, members of the Centro Democrático, and political allies following the ruling of the Supreme Court to place former president, Álvaro Uribe, under house arrest. Given that Uribe is the most influential politician in Colombia's recent history, the decision against him constituted a tough test for the independence of the judiciary.

ELN and dissident and rearmed sectors of the former FARC reject the legitimacy of the current political regime and fight to overturn it. Although they do not seek formal state power, organized crime groups constitute a threat to democracy as they weaken institutions and undermine the guarantees of citizen rights.

Performance of democratic institutions



Commitment to democratic institutions



5 | Political and Social Integration

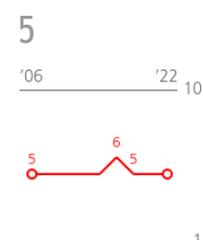
The trajectory of the party system in Colombia since the 1991 constitution has been characterized by the declining power of the two historically most important parties (Liberal and Conservative parties) and the emergence of disparate political parties and independent social movements. The party system has become more competitive, yet fragmentation and electoral volatility has increased. Despite the implementation of reforms to reduce the excessive number of parties, fragmentation persists. Because of the lack of social rooting and endurance of corruption and clientelism, political parties tend not to articulate social interests. According to the 2019 Political Culture Survey conducted by the national statistics department (DANE), political parties are considered the least credible institutions in Colombia, with only 12% of respondents expressing trust in them.

In the local elections of October 2019 there was a noteworthy increase in the diversity of candidates, particularly from grassroots organizations and the political left. Progressive candidates and centrist and left-wing political parties achieved significant success. A high-profile result of the polling day was the election of Claudia López as mayor of Bogotá. López is the first female and LGBTQ+ person elected for this position. In contrast, the performance of the right-wing and government party, Centro Democrático, was lackluster. The party lost control of several former strongholds such as Medellín. The results for the former guerrilla group, FARC, were rather poor. Two former members were elected as mayors in the rural municipalities of Turbaco and Puerto Caicedo.

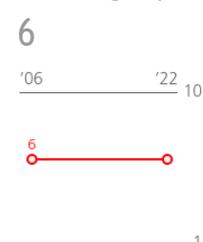
A wide-ranging network of interest groups encompassing business associations, unions, indigenous and Afro-Colombia groups, social movements, and local NGOs mediate between society and the political system. However, wealthy business and private associations are clearly dominant, with privileged access to the predominantly business-friendly governments. Although the interest groups are multifaceted, they are neither balanced nor cooperative across cleavages, which may explain the violent impasse in which the country finds itself. The peace agreement with the FARC opened up new avenues for political participation and brought the demands of historically marginalized groups, such as peasants, ethnic minorities, and violence victims, to the foreground. However, current security conditions threaten to wreck collective action initiatives in conflict-affected areas.

In the period under review, there was an increase in social mobilization. National strikes and demonstrations brought together a wide range of societal sectors and demands between the end of 2019 and early 2020. A salient trait of the mobilization was the participation of the urban, middle class, and youth. After initially responding to the protests with attempts to discredit them, and then repression, President Duque finally called for the start of a “grand national conversation” with the participation of

Party system



Interest groups



all sectors of Colombian civil society. Further progress of the protest movement was stalled by the movement leaders' inability to articulate a coherent program to negotiate with the government and the onset of the COVID-19 pandemic.

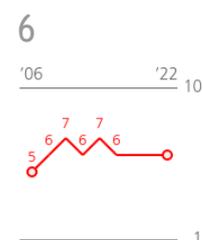
Survey data indicate that the majority of Colombians approve of the democratic system. According to the 2018 results of Latinobarómetro, 55.3% of Colombians agreed that democracy is preferable to any other form of government. 68% believe that, despite having some problems, it is the best system. The 2019 Political Culture Survey of the national statistics department found that 81% of people consider that living in a democracy is very important. However, dissatisfaction with democratic performance is high. According to 2018 Latinobarómetro, 81.5% of people believe that the country is governed for the benefit of a few powerful groups, whereas only 15.2% think that it is governed for the good of all Colombians. In the 2019 Political Culture Survey, 47% of the respondents expressed being very dissatisfied with democracy and only 16% were very satisfied. 58% described Colombia as moderately democratic and 26% considered it to be fully democratic.

Trust in institutions is relatively low. According to the 2019 Political Culture Survey, the armed forces are the most trusted institution (37%), followed by the electoral authority (29.7%) and the ombudsman office (29.2%). Only 27% of respondents expressed trust in the presidency. President Iván Duque's approval levels were recorded at 27% according to poll data from February 2021 (during the COVID-19 pandemic).

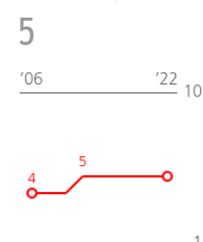
Interpersonal trust among people in Colombia is low. In the 2018 Latinobarómetro survey, only 20% affirmed that one could trust most people. According to the 2019 Political Culture Survey by the national statistics department (DANE), people mostly trust family members (92%), followed by friends (40%), colleagues (33%), and neighbors (22%). Survey data suggest that social distancing COVID-19 measures have had a deleterious effect on social trust. A survey conducted by Bogotá's mayoral office found that the percentage of people claiming that it is possible to trust others fell from 30% in March 2020 to 20% in June 2020.

There are several civil society organizations operating at national and local levels. However, institutional weaknesses, coordination challenges, and security conditions hamper their development and participation.

Approval of democracy



Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

Colombia has made substantial progress according to social and economic indicators during the last three decades. The World Bank classifies the country as upper middle-income. GDP per capita (PPP) reached \$11,385 in 2019. Colombia ranked 83 out of 189 countries in the Human Development Index 2019, with a score of 0.767. Despite the armed conflict and persistence of violence, Colombia has managed to improve public goods provision, increase social spending, and implement redistribution programs. Monetary poverty dropped from 40.8% in 2012 to 35.7% in 2019. According to the UNDP, the percentage of people living in multidimensional poverty decreased from 30.4% in 2010 to 17.5% in 2019. 73% of poverty reduction was concentrated in the departments of Nariño, Valle del Cauca, and Atlántico.

Nevertheless, inequality remains high. The Gini coefficient for Colombia was 50.4 in 2018, and the overall loss in HDI score due to inequality was 22.4% (although this was less than the 32.6% in 2010). Yawning gaps in socioeconomic conditions between urban and rural areas persist. Whereas the incidence of multidimensional poverty in urban areas in 2019 was 12.3%, the figure was 34.5% in rural ones. The same applies to differences across subnational units. For instance, the department of Chocó registered the highest incidence of monetary poverty in 2019 with 68.4%. In contrast, the department of Cundinamarca had the lowest with 20.4%. Poverty and social exclusion are to a large extent structurally ingrained and primarily affects indigenous groups, Afro-descendant communities, populations in rural areas, women, and children. The Gender Inequality Index was 0.428 in 2019.

The COVID-19 pandemic has wreaked havoc on the socioeconomic conditions of the population. The think tank Fedesarrollo estimates that the pandemic pushed at least six million people into poverty as monetary poverty in 2020 rose to between 47% and 49%. The Economic Commission for Latin America (ECLAC) projected extreme poverty to grow from 9.6% in 2019 to 14.3% in 2020. According to the national statistics department (DANE), the pandemic has affected the food security of Colombian households. Data elicited in the 23 cities and metropolitan areas of the country show that the number of households lacking the resources to eat three times per day increased from 10.9% before the implementation of COVID-19 related measures to 29.9% in November 2020. The social and economic impact of the pandemic weighs heavier on informal workers (47% of the economically active population) and women.

Question
Score

Socioeconomic
barriers

5

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1

Economic indicators		2017	2018	2019	2020
GDP	\$ M	311883.7	334198.2	323429.9	271346.9
GDP growth	%	1.4	2.6	3.3	-6.8
Inflation (CPI)	%	4.3	3.2	3.5	2.5
Unemployment	%	8.9	9.1	10.0	15.4
Foreign direct investment	% of GDP	4.4	3.4	4.3	-
Export growth	%	2.6	0.6	3.1	-17.4
Import growth	%	1.0	5.8	7.3	-18.0
Current account balance	\$ M	-10741.9	-13634.4	-14285.0	-9083.5
Public debt	% of GDP	49.4	53.6	52.3	65.4
External debt	\$ M	125769.1	132964.9	138625.4	155171.8
Total debt service	\$ M	22372.6	24440.1	19223.2	21713.5
Net lending/borrowing	% of GDP	-2.2	-2.3	-2.8	-
Tax revenue	% of GDP	14.9	14.8	15.1	-
Government consumption	% of GDP	14.9	15.4	15.8	17.7
Public education spending	% of GDP	4.5	4.4	4.5	-
Public health spending	% of GDP	5.5	5.5	-	-
R&D expenditure	% of GDP	0.2	0.2	-	-
Military expenditure	% of GDP	3.2	3.1	3.1	3.4

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

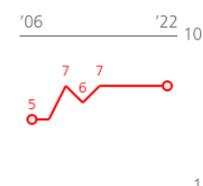
The fundamentals of free-market competition are assured by a robust and stable legal and institutional framework. Colombia scored 69.2 and ranked 45 out of 180 countries in the 2020 Heritage Foundation's 2015 Index of Economic Freedom. The score is above regional and world averages. Compared to the 2019 index, the country improved its performance in dimensions such as property rights, government integrity, fiscal health, and trade freedom. In the Global Competitiveness Report 2020, Colombia ranked 57 out of 140 countries with a score of 62.7 out of 100. The country ranked fourth in Latin America and the Caribbean. According to the World Bank's Doing Business 2020 report, it takes seven procedures, ten days, and 14.1% of per capita income to start a business in Colombia. In the ease of doing business assessment, Colombia scored 70.1 out of 100 and ranked 62 out of 190. Colombia has implemented several reforms to foster better business practices. Besides making procedures more straightforward, the country has reduced the rate of corporate income tax and payroll taxes. Nonetheless, some regulations such as those governing the formation and dissolution of companies are still in need of reform. According to a study by the OECD in 2019, exit barriers in Colombia result in market inefficiencies. However, because they are experienced by all market participants, they do not result in unbalanced competition.

The informal economy constitutes a large part of the economy and labor market. Data from the International Labour Organization (ILO) in 2019 shows that approximately 62.1% of Colombia's population earn their livelihoods in the informal economy. According to the national department of statistics (DANE), informal employment represents 48.7% of the labor force in the country's 23 cities and metropolitan areas. Despite economic growth and institutional changes, the informal economy remains a problem. Market segmentation, a tendency for positive trends in productivity to be in economic sectors that create few jobs, and high cost and barriers to formalization are some of the reasons for this persistent problem.

Antitrust regulation was initially introduced in 1959. The principle of free competition is enshrined in article 333 of the 1991 constitution. The country has a long-standing and robust competition framework, based on Law 962 of 2005 and Law 1340 of 2009. The superintendence of industry and commerce (SIC) is the agency in charge of guaranteeing compliance with competition law as well as ensuring consumer welfare. The SIC is a member of the International Competition Network (ICN) and the OECD Competition Committee. As part of the process of Colombia's accession to the OECD, domestic competition law was amended to comply with the requirements of this international organization. However, political interference in SIC's actions and limitations to the scope of SIC's oversight undermine law enforcement.

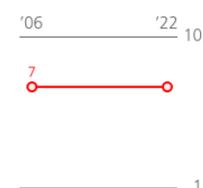
Market
organization

7



Competition policy

7



In the period under review, competition law issues from so-called collaborative economy platforms have arisen. For instance, in December 2019, the SIC ordered the suspension of Uber's transport service on the grounds that the company had engaged in acts of unfair competition following a lawsuit filed by representatives of taxi companies. Uber appealed the ruling before a local court, which overturned the SIC's decision in June 2020. Lack of regulation of these platforms with regard to competition policy remains an unresolved issue.

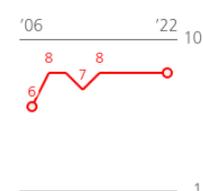
Foreign trade liberalization was at the core of the structural reforms implemented in the early 1990s and into the 2000s. Changes included tariff reductions, removal of prior-license requirements, and simplification of customs procedures. Colombia has been a member of the WTO since 1995. The country currently has 17 free trade agreements with 65 countries. The average applied tariff is 4.4%. According to the WTO World Tariff Profiles, the simple average applied to the most-favored nation was 5.4% in 2019. The agricultural sector is relatively protected through differentiated tariffs. There are a large number of non-tariff barriers (155 according to the 2020 Economic Freedom Index); they include bureaucratic inefficiency, complex customs procedures, indefinite detainment of merchandise when documentation is missing or improperly filled, high costs associated with the returning merchandise, robberies of trucks, and thefts in warehouses.

The institutional foundations of the banking system and capital market are solid. The financial superintendence of Colombia (SFC) is the agency responsible for overseeing financial institutions. In the last few years, Colombia has strengthened the instruments of financial regulation. This includes the implementation of Basel III standards since January 2020 and the adjustment of regulatory schemes to transform the banking system. For instance, the general supervision framework published by the SFC in 2015 and Law 1870 of 2017 set the legal and procedural frameworks for the supervision of financial conglomerates.

Compared to the previous BTI report, the bank capital to assets ratio has increased from 16.1 in 2017 to 17 in 2019. So far, the effects of the COVID-19 pandemic on financial stability have been moderate as banks have been able to rely on their capital and liquidity buffers. In addition, the central bank implemented measures to inject permanent liquidity into the economy. The non-performing loans (NPL) ratio rose from 4.3% in 2019 to 5% in October 2020, an increase far below the SFC's May estimate of 12–13%.

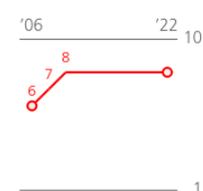
Liberalization of foreign trade

8



Banking system

8



8 | Monetary and fiscal stability

The central bank (Banco de la República) is an independent and autonomous institution responsible for monetary policy and foreign exchange rules and regulations. In response to the COVID-19 pandemic, the central bank swiftly undertook policy measures to stabilize financial conditions and credit. The intervention focused on liquidity provision and monetary policy easing.

Due to the coronavirus pandemic's impact on demand and supply, Colombia witnessed a substantial decline in the annual inflation rate from 3.5% in 2019 to 1.61% in 2020. The rate is below the inflation target, which ranges between 2% and 4%. Since the country has a floating exchange-rate system, the 2013/14 shock led to a drastic devaluation of the Colombian peso, which lost 60% of its value. Compared to 2010 (=100), the real effective exchange-rate index remained stable until 2014 (95.9), but then rapidly declined (77.6 in 2015). It has stabilized since, reaching 77.2 in 2018 and 72.6 in 2019.

Colombia holds a historical record of commitment to macroeconomic stability. The consolidation of fiscal and debt management policies has been a priority ever since the implementation of structural reforms in the 1990s. Nonetheless, the country has struggled to maintain fiscal stability and meet fiscal rule targets. Structural weaknesses such as limited tax capacity and dependence on oil revenues have been compounded by the effects of large migration flows from Venezuela and the impact of the related humanitarian crisis on public expenditure.

To address fiscal pressures, previous governments have unsuccessfully tried to expand tax income as a share of the economy by reforming the tax system. In this regard, Colombia's Congress enacted a new tax reform (Law 2101/2019) in December 2019. The legislation included several reductions to corporate taxes and incentives for investment. Experts warned about the negative consequences of the reform for public revenue. The think tank Fedesarrollo estimated a fall of 0.5% of GDP in the tax collection rate for 2020. However, the government expected higher investment and economic growth levels to offset any revenue loss. Against this background, the widespread effects of the COVID-19 pandemic on the Colombian economy have worsened the state of public finances.

State revenues declined due to the economic recession triggered by the pandemic. The IMF estimates an economic downturn of 8.2% in 2020, whereas the central bank estimates a figure of 7.6%. According to the national directorate of taxes and customs (DIAN), tax revenue experienced a decrease of almost 9% from 2019 levels. The estimated fiscal deficit is 8.9% and 7.6% of GDP for 2020 and 2021, respectively. Given the gap between tax income and the budgetary demands raised by the pandemic, the fiscal rule advisory committee approved the suspension of the fiscal rule for 2020 and 2021.

Monetary stability

9



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Fiscal stability

8



1

The Colombian government deployed unprecedented fiscal policy to support health spending and withstand the economic impact of the pandemic. As of October 2020, the IMF estimates that Colombia has approved \$7.1 billion (2.7% of GDP) in additional spending and foregone revenue and \$6.9 billion (2.6% of GDP) in liquidity support (loans, equity, and guarantees). Given the drop in public income, the government has relied primarily on new borrowing. In May 2020, the IMF approved the renewal of the Flexible Credit Line for Colombia by an amount of approximately \$10.8 billion. In addition, Colombian authorities requested the augmentation of the Flexible Credit Line to \$17.2 billion in September 2020. In March 2020, Colombia received a loan of \$250 million from the World Bank. In the wake of the COVID-19 pandemic, the deficit and public debt have reached historical levels. Colombia's public debt jumped from 52.3% of GDP in 2019 to 68.2% in 2020.

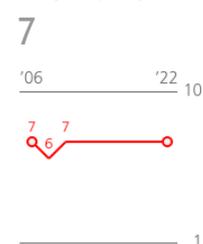
Colombian authorities expect gradual normalization of economic activities, and they expect their fiscal stimulus package to prompt economic recovery, putting the country back onto the path of economic growth and public revenue it was following in 2019. According to ECLAC, the Colombian economy will grow 5% in 2021. The forecast of the OECD is for 3.5% growth. Yet, the persistence of structural problems and the high levels of debt present a worrying situation for the soundness of public finances. This may explain why the Ministry of Finance has already announced that a reform to the tax system will be necessary to support long-term economic recovery and to enhance fiscal stability.

9 | Private Property

In principle, property rights and regulations governing acquisition, use, and sale are adequately defined. However, there is a substantial gap in implementation between urban and rural areas. Property law is generally well defined and enforced in cities. In rural areas, by contrast, the land tenure system is poorly enforced. Citizens in rural areas have been victims of internal displacement and coercive dispossession. It is estimated that approximately 8 million hectares of land, equivalent to 14% of the national territory, have been acquired illegally. Colombia has the largest population of internally displaced persons (IDPs) in the world. As of January 2021, the Registry of Victims (RUV) reports an amount of 8,095,593 IDPs. In 2011, the state undertook a land and property restitution program as part of the implementation of the Victims and Land Restitution Law (1448/2011). According to the Land Restitution Agency (Unidad de Restitución de Tierras), there have been 127,962 land restitution requests, out of which 11,786 have been resolved. Slow implementation, political opposition to the process, institutional and bureaucratic deficiencies, and the persistence of violence in certain areas are some of the challenges faced by land restitution.

The 2020 World Bank Doing Business Report ranked Colombia 62 out of 187 in the registering property rank. It takes seven procedures and 15 days to register property. Colombia scored 16.5 out of 30 in the quality of the land administration index. Colombia was ranked 62 out of 129 countries in the international property rights index 2020.

Property rights



The private sector is considered the backbone of the economy. The Colombian state has been committed to the simplification of procedures for the creation of new enterprises. In the 2020 World Bank Doing Business Report, Colombia obtained 87 out of 100 in the “starting business score.” The country is above the regional average of Latin America (79.6) and is ranked higher than countries such as Mexico, Brazil, and Argentina. Nonetheless, shortcomings regarding legal safeguards persist. This is reflected in the country’s low score in the “enforcing contracts” item of the Doing Business report. Colombia scored 34.3 out of 100, far below the regional average of 53.3. The country is ranked 177 out of 190 on this topic. However, the picture is somewhat mixed as Colombia performed well in the items encompassing protection of minority investors (13 out of 190 countries) and resolving insolvency (32 out of 190).

The privatization of state companies is regulated by article 60 of the constitution and the Law 226 of 1995. Even though privatization processes are conducted in line with market principles, they are frequently a matter of political contestation. In 2019, the Ministry of Finance led the creation of the “Grupo Bicentenario,” a holding company encompassing 19 wholly and partially state-owned companies. The structure of the holding results from the implementation of the OECD guidelines regarding corporate governance of public entities.

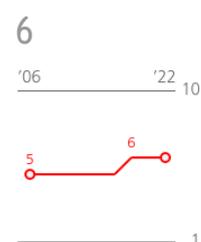
10 | Welfare Regime

There are some social safety nets to moderate social inequalities and compensate for social risks. Colombia embarked on a major reform of its social security system in the early 1990s. Provision of public health and education is predicated on a universal model, whereas access to benefits such as old age and disability pensions, paid maternity and paternity leave, and unemployment support are tied to social security contributions. Eligibility for non-contributory benefits in the form of subsidies and social transfers depends on socioeconomic criteria and is aimed at people living in poverty and extreme poverty. The System for Selecting Beneficiaries of Social Spending (Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales, SISBÉN in Spanish) is a national survey of household income and assets used by the government to determine eligibility for social assistance programs. Successive Colombian governments have increased public social spending and developed several programs to alleviate poverty and to improve the coverage of health care and education. However, asymmetries in infrastructure and quality of service provision across the country, as well as corruption, clientelism, and funding constraints hamper the development of the welfare system. From a structural perspective, the persistence of high levels of labor informality (47% of the economically active population) is one of the main factors compromising the social protection system’s sustainability.

Private enterprise



Social safety nets



Health care is provided by both the private and public sectors. Law 100 of 1993 is the cornerstone of the health care system. It introduced mandatory health insurance and established the General Social Security Health System (SGSSS), which has two regimes: contributory and subsidized. The system is financed by a mix of payroll contributions and general taxation. The contributory regime is financed by members, who are people able to afford health care provision. The subsidiary regime covers poor and disadvantaged people and is funded by a combination of state contributions and resources from the contributive regime. Health-promoting entities (*entidades promotoras de salud*, EPS in Spanish) are insurance companies responsible for managing and delivering health care to the population. Health outcomes and coverage of health care services have substantially improved over the last decades. According to the Ministry of Health, 95.07% of the population is insured. However, the financial sustainability of the system is permanently in doubt, and no government has yet resolved this issue. In 2019, President Iván Duque launched a plan, known as “Acuerdo de Punto Final,” intending to settle all debts and claims and put the health sector’s finances on a sounder footing. In January of 2020, the government issued a decree establishing the inclusion of Venezuelan migrants with resident permits in the subsidized regime.

Similar to health care, the pension system is divided into public and private regimes. The Prima Average (Average Premium) scheme is run by the state, offers a defined-benefit pension plan, and is financed on a pay-as-you-go basis. Conversely, the Ahorro Individual (Individual Savings) scheme works upon a defined-contribution scheme and is managed by Pension Fund Administrators (*Administradoras de Fondos de Pensiones*, AFP). Workers are allowed to switch between the two every five years up until ten years before retirement age. Given that the public system has higher replacement rates than the private, there are more transfers from the latter to the former. According to a central bank study published in 2019, the coverage rate of pensions is only 23%, and totals fewer than 1.5 million people. In addition, pension transfers in the public budget account for 3.4% of GDP, and pension liabilities are close to 130% of GDP. Policymakers and experts have underlined the imminent need for a comprehensive pension reform to improve coverage and reduce pressure on public finances.

The Colombian government undertook a set of measures to relieve the socioeconomic impacts of the COVID-19 pandemic, including the expansion of social assistance programs and the creation of cash transfers for vulnerable households. The government introduced extra cash transfers to beneficiaries of existing “Familias en Acción” (2.5 million households) and “Jóvenes en Acción” antipoverty programs. It also included additional payments for those enrolled in “Colombia Mayor,” a cash transfer program for senior citizens (1.7 million people) who do not have contributory pensions or who live in poverty. Additionally, the government launched an unconditional cash transfer program (“Ingreso Solidario”), consisting of monthly payments of about \$45 (COP\$160,000) until June 2021 for around three million

families who were not covered by any other social program. Besides cash transfer programs, the government introduced a subsidy program for employers, which contributes up to 40% of the value of the current legal monthly minimum wage for each employee. Regarding access to basic services, the government implemented several measures to grant access to water, electricity, gas, and sewerage. These included free reconnection to water provision for households whose service had been suspended due to non-payment. The measures froze service rates for basic services for vulnerable families and subsidized the operation of rural aqueducts to ensure supply of water.

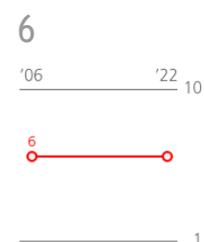
The legal framework guarantees equal access to fundamental rights and social services; it also contains provisions to forbid and punish exclusion. In this regard, the constitution prohibits discrimination based on race, gender, religion, language, and political beliefs, and establishes special measures to protect ethnic minorities. However, formal instruments have not been enough to change structural causes of discrimination, and inequality remains a salient characteristic of Colombian society. Access to opportunities varies across societal groups as well as across the country. Indigenous groups, Afro-Colombian communities, women, peasants as well as citizens dwelling in urban and rural peripheries are marginalized and discriminated against.

Women have fewer opportunities to run for public office and lower access to employment. Likewise, they face barriers in access to land and basic services in rural areas. Enrollment ratios in secondary and tertiary education are slightly in favor of women (1.1), as well as the literacy rate (95.3% vs. 94.9% for men). Colombia ranked 22 out of 150 countries in the Global Gender Gap Index 2020 with a score of 0.735 (0-1 score). Colombia ranked 42 in participation and opportunity, first in educational attainment, first in economic survival, and 33 in political empowerment. Women constituted 43% of the labor force in 2020. Colombia has a gender gap of 24%. The crisis ignited by the COVID-19 pandemic has widened gender inequalities. According to the national statistics department (DANE), the unemployment rate for women reached 19.6% in November 2020, far above the unemployment rate for men of 10.9%.

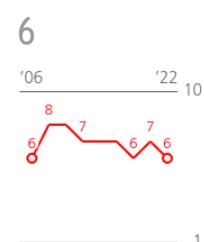
11 | Economic Performance

In line with global trends, the COVID-19 pandemic had a severe negative impact on the economic performance of the country. Colombia's GDP in 2019 grew 2.5%. Estimations of the economic downturn in 2020 range between -7.6% and -8.2%. A rebound in growth is projected for 2021. According to ECLAC, Colombian economy will grow 5% in 2021. The forecast of the OECD is 3.5%. The coronavirus pandemic has worsened long-standing macroeconomic problems, such as the high budget deficit, the large size of the informal sector, substantial inequality, and low levels of tax revenue.

Equal opportunity



Output strength

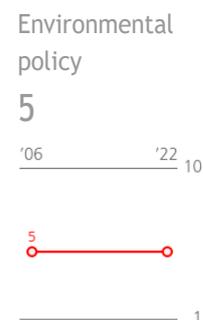


Colombia's debt-to-GDP ratio increased by more than 15 percentage points between 2019 and 2020, reaching 68.2% of GDP. The Ministry of Finance estimates a fiscal deficit of 8.9% and 7.6% of GDP for 2020 and 2021, respectively. According to the national statistics department (DANE), the unemployment rate in the country's 13 major cities in November 2020 was 15.4%, 5 percentage points above the rate in November 2019. After the initial shock of the pandemic on the labor market, during which job losses came to 5.4 million, the number of job losses stabilized in the last months of 2020, amounting to 1.5 million. Inflation fell from 3.5% in 2019 to 1.6% in 2020; this is the lowest point in recent history and below the target of 2% to 4% set by the central bank. Foreign direct investment amounted to \$14.5 billion in 2019. There was a decrease of approximately 50% in 2020, according to preliminary data from the central bank up to the third quarter of 2020. The deficit of the current account balance skyrocketed during the 2013/14 crisis to \$19.8 billion but had decreased to \$13.7 billion by 2019; according to ECLAC, it shrank to \$4.24 billion in 2020, albeit with a drastically reduced trade volume (-60%).

12 | Sustainability

Colombia is one of the most biodiverse countries in the world. Environmental regulations encompass a wide array of domestic and international laws. The protection of the environment is a principle included in the constitution, and article 79 recognizes the right to a healthy environment. The Law 99 of 1993 established the framework of the environmental policy and created Colombia's National Environmental System. The Ministry of Environment and Sustainable Development and the National Authority of Environmental Licenses (ANLA) are the main regulators at the national level. Likewise, there is a pool of agencies in charge of environmental regulation at the regional and urban/municipal levels. The country has made remarkable advances in the development of legal and institutional instruments to protect the environment. For instance, the Constitutional Court and the Supreme Court have issued decisions recognizing the rights of nature and demanding the implementation of concrete policies to protect rivers and ecosystems. The country has also introduced new legislation aimed at addressing climate change. Nonetheless, the subordination of environmental protection to economic growth, misalignments and conflicts between regulatory agencies at the national and subnational levels, political interference, corruption, and the enduring impact of the armed conflict and organized crime hinder the consistent enforcement of these rules.

Particularly concerning is the increase of violence against environmental advocates. According to the organization Global Witness, 64 land and environmental defenders were killed in Colombia in 2019, the highest number worldwide. Colombia signed the Escazú Agreement in December 2019. The agreement is the first multilateral and legally binding mechanism in Latin America and the Caribbean to protect rights to environmental information, public participation in environmental decision-making,



and access to justice in environmental matters. Measures to protect environmental defenders are of paramount importance in the treaty. The ratification of the agreement has been delayed by the disruptions caused by the COVID-19 pandemic on the functioning of the Colombian Congress and in the face of opposition from economic and business groups, as well as right-wing political actors.

The introduction of hydraulic fracturing, known as fracking, has been a matter of controversy in the country. In a 2019 ruling, the state council maintained a suspension on fracking operations, while allowing the development of fracking pilots. Later in February 2020, a local court ratified the suspension and raised new conditions on future pilot projects. Lawmakers, environmental activists, and civil society organizations have opposed the pilots and pursued their suspension in the courts, but these lawsuits have been dismissed. Meanwhile, the Ministry of Mines and Energy has led the process to define a regulatory framework for fracking pilots.

The 2020 Yale University Environmental Performance Index ranks Colombia 50 worldwide and 2 in the regional ranking of Latin America and the Caribbean with a score of 52.9 out of 100. Compared to the 2018 report, the country's performance has fallen from rank 42 (and a score of 65.55).

The education and training system in Colombia is substandard and fraught with problems. Although the literacy rate (95.1%), youth literacy rate (100%), and enrollment rates in primary and secondary levels (96.41) are at an acceptable level, the quality of education is deficient. In the 2018 survey for the Programme for International Student Assessment (PISA), Colombian students scored lower than the OECD average in reading (412 points), mathematics (391), and science (413). These figures imply that 50% of 15-year-old students in Colombia do not achieve minimum proficiency in reading. Colombia scored 0.682 (0 to 1) in the U.N. Education Index, a figure slightly below the Latin America average (0.697) but above the average of developing countries (0.590).

There are several inequalities in attainment and educational quality when the data is examined by region and by socioeconomic strata. Children in the countryside face more barriers to education, namely deficient infrastructure and poor quality. According to the UNESCO Worldwide Inequality Database, children in urban areas fare better than those in rural ones in all indicators (primary completion rate: 95% vs. 85% and secondary completion rate: 79% vs. 46%). Similarly, there is a substantial gap in the completion rates between the wealthiest (98% in primary and 95% in secondary education) and the poorest children (82% in primary and 38% in secondary education). Relatively few people have access to tertiary education. According to the Ministry of Education, the gross enrollment rate in tertiary education was 52.23% in 2019, and the drop-out rate was 8.8%. Public expenditure on education represented 4.5% of GDP in 2018, according to World Bank data. In 2019 and 2020, the total budget allocated for education increased marginally, yet it remains around 4.5% of GDP.

Education policy /
R&D

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Colombia lags far behind in investment on R&D. Less than 1% of Colombia's GDP (0.2% in 2018 according to World Bank data) is used to finance research and development. In 2019, Law 1951 reclassified the administrative department of science, technology, and innovation (Colciencias) as a ministry (Minciencias) with the aim of strengthening the national system of science, technology and innovation (SNCTI).

Governance

I. Level of Difficulty

Colombia has a high level of difficulty. Social inequality, poverty, a large informal labor market, a low performing education system, deficient infrastructure, the state's inconsistent presence across the territory, a high economic dependence on commodities, and the existence of violent armed actors are the most severe structural constraints. Certainly, the peace agreement with the FARC was a step toward the end of the war and the strengthening of democracy. However, the window of opportunity for grand reforms is closing fast and structural issues remain unresolved. Complicating matters, trends in violence and new developments amongst non-state armed actors in the post-accord phase are extremely concerning. An additional structural impediment is that Colombia hosts almost 1.8 million Venezuelan refugees, the second largest number of refugees in a country worldwide (after Turkey).

State capture and cooptation are widespread phenomena. Legal and illegal actors have infiltrated the state and exploited it for their private interest. In several territories of Colombia, state and non-state armed actors coexist and interact in relations that range from competition to collusion. The state's response to illegal armed groups is a structural constraint in itself since there has been an inconsistent government policy on the issue. So, while former President Santos reached a peace accord with the FARC and initiated a peace process with the left-wing ELN guerrilla group, current President Duque has not been committed to the implementation of the peace agreement and has even attempted to undermine some of its pillars. In addition, the government suspended negotiations with the ELN in 2019.

The impacts of the COVID-19 pandemic on political and social transformation are severe and diverse. As of January 31, 2021, Colombia reports a total number of 2,077,333 cases with a death toll of 53,284, a fatality rate of 2.5, and an incidence rate of 2,891.7 cases per 100,000 inhabitants. The pandemic dragged the country's economy into a recession, with a predicted negative growth rate of between -7.6% and -8.2%. The social policy implemented to cushion the effects of the pandemic have further burdened the already precarious public finances. Poverty and inequality have become more evident amid the pandemic. According to the think tank Fedesarrollo, more than six million additional people were forced into poverty. People working in the informal economy (around 50% of the economically active population) have been the hardest hit by the crisis. Alongside the economic impact, the pandemic has disrupted the functioning of the education system. Children in rural

Structural
constraints

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areas and those from lower socioeconomic strata are the most affected. Although there is no data yet, experts have issued warnings over the pandemic's enduring effects on enrollment rates and educational attainment. The partial closure of schools has rendered children in urban and rural peripheries more vulnerable to recruitment into illegal armed groups.

Colombia has a moderate tradition of civil society. The 1991 constitution provided new avenues for the creation and participation of civil organizations, which had the potential to foster a more participatory democracy. However, the prevalence of a traditional two-party system, in which the Conservative and Liberal parties were the main political actors and intermediaries between the state and the society, along with the impact of political violence, armed conflict, and drug-related violence, hampered the development of civil organizations. Since 1991, civil society has become gradually more organized and relevant. Whereas the institutionalized NGOs are more influential, with international ties, there are also a range of community-based organizations, social movements, and informal platforms. In Colombia, political participation can involve a variety of activities, from traditional forms of participation to contentious political debates to expressions on social networks and virtual communities.

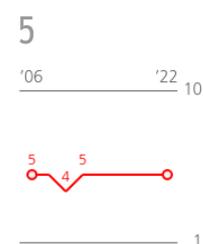
The year 2019 was significant for civil society and social mobilization in Colombia. The convergence of a diversity of social movements and citizen agendas, against the background of increasing dissatisfaction with the current government, led to social unrest. Massive protests took place in several cities in the country. A novel aspect of the protests was the significant participation of young people and people from the urban and middle-class sectors.

Violence remains a major obstacle for civil society organization and participation. Human rights defenders and social leaders are the primary victims of selective violence in territories historically affected by marginalization and the armed conflict.

Social trust has been and remains low. The 2018 Latinobarómetro Survey found that only 20% of respondents agreed that one could trust most people. According to the 2019 Political Culture Survey by the national statistics department (DANE), 46% of respondents agreed that organizing with the community for a common cause is either very difficult or difficult.

There are several sources of conflict. The country has experienced armed conflict for more than six decades. The peace agreement between the Colombian state and the FARC guerrilla group in 2016 marked the end of the war with the largest rebel group in Colombia, opening up new channels for political participation and bottom-up peacebuilding approaches. However, because of the protracted character of the armed conflict, different forms of violence and several violent actors remain active on the ground. During the period under review, there has been an intensification of violence in some areas of the country. Human rights defenders, grassroots social leaders, and

Civil society traditions



Conflict intensity



former FARC combatants are the primary targets of selective violence. Non-state armed actors encompass a diverse set, ranging from drug-trafficking groups and successor paramilitary groups to left-wing guerrillas and dissident and rearmed factions of the former FARC.

Furthermore, the peace agreement and its implementation has become a source of polarization in society. The discontent with the accord has been capitalized on by political factions, particularly center-right and right-wing segments. Opposition to the agreement has been deployed as a crucial component of a broader conservative political agenda that includes other divisive policy issues such as the opposition to gender minority rights, labeled as “gender ideology.” This division played a crucial role in the 2018 presidential election. In the period under review, issues such as inequality, corruption, and lack of social opportunities have gained relevance in the public debate.

High levels of inequality constitute a prominent cleavage between the wealthiest and the most impoverished strata of the population. Inequality manifests in multiple forms and is associated with geography, ethnicity, and gender. There are not only gaps between rural and urban areas but among subnational units. The COVID-19 pandemic has accentuated socioeconomic differences. People living in urban and rural peripheries, informal workers, women, and children have been the most affected by the pandemic.

II. Governance Performance

14 | Steering Capability

Politically, President Duque has focused on the reform of substantial aspects of the peace agreement with the FARC, such as the transitional justice system and political participation. The return to a hardline approach in areas such as security and anti-drug policies, similar to the “democratic security” approach of former president, Álvaro Uribe, has been central. As secondary priorities, the government committed to reform of the electoral law and the justice system.

On the economic front, the Duque administration has focused on advancing free market principles and policies. The president declared the so-called “orange economy,” defined as the promotion of creative industries, to be the pillar of his strategy to boost economic growth. Additionally, the government set structural tax reform as a goal. Other secondary priorities include expanding the rail network for commercial operations and strengthening the capacity for power generation from renewable sources and the generation of clean energy.

Question
Score

Prioritization

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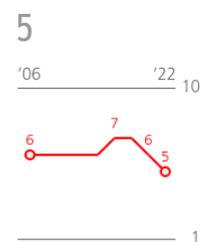
Regarding foreign policy, the promotion of a regime change in Venezuela has been central to Colombia's policy agenda. The Duque government recognized the self-proclaimed president of Venezuela, Juan Guaidó, as the legitimate president. Likewise, Colombia has played a central role in regional and hemispheric initiatives to foster a democratic transition in Venezuela, such as the Lima Group. Currently, diplomatic relations between Colombia and the government headed by Nicolás Maduro are nonexistent. A further priority was the successful completion of the accession of Colombia to the OECD, a process that began in 2013. Since April 2020, Colombia is a fully-fledged member of the organization.

Before the COVID-19 pandemic, President Iván Duque had been roundly criticized for his lack of definition of strategic priorities and an ostensible disconnection to the problems and demands of the country in a post-accord scenario. With the outbreak of the COVID-19 pandemic, the government's priorities turned to adopting measures to mitigate the spread of the virus, on the one hand, and to cushion the socioeconomic impact on the other. In August 2020, the government launched a plan for economic recovery. The plan included projects to boost employment and job creation as well as accelerate the development of infrastructure projects. The government has already announced its commitment to pursue tax and pension reforms to cover the substantial fiscal deficit caused by the pandemic.

The results of the policies prioritized by Duque's presidency suggest that the president has lacked the capacity to implement most of them. Although Duque was elected on a platform of reforming the peace agreement with the FARC, his efforts to overhaul it have proven unsuccessful. On the one hand, the peace agreement's implementation was already underway when he came to power, with core elements enshrined as part of the Colombian constitution. On the other hand, the president failed to secure the support of Congress to pass the reforms. Besides, the international community – which has backed the peace process from the beginning – protested against the changes and delays in the implementation of the accord. Duque's insistence on amending the agreement led to clashes with other public branches such as the high courts and the legislative.

The plan of the Duque administration to implement a hardline anti-drug policy has encountered several obstacles. The government placed a return to aerial spraying with glyphosate at the center of its strategy to eradicate more than 200,000 hectares of coca leaf crops. However, the Constitutional Court ruled that the government can resume the method only after fulfilling a set of conditions, such as protecting nature reserves, informing and consulting with affected communities, and completing studies to determine the human health and environmental risks. For the time being, the resumption of aerial spraying is stalled. Regarding security policy, the government has emphasized operations to capture the leaders of the ELN, dissident and rearmed factions of the FARC, and organized crime groups. The assassination of an ELN commandant leader known as "Uriel" in October 2020 has been one of the

Implementation



most important military operations of the current administration in the period under review. However, the approach adopted has raised serious concerns regarding human rights and compliance with international humanitarian law. For instance, the former minister of defense, Guillermo Botero, resigned in November 2019 amid a scandal because of the killing of minors in a military operation against a FARC dissident group.

In the economic field, the implementation of the “orange economy,” the government’s flagship policy, has been hindered by a lack of institutional coordination and the lack of a consensus with stakeholders within the arts and culture sector. The results in terms of job creation and economic growth have been relatively meager. The closure of theaters, cinemas, and cultural spaces amid the COVID-19 pandemic further affected the policy’s implementation. It is unlikely to achieve its stated aims.

In the domestic arena, the Duque administration has been able to pass some laws. Given that the Constitutional Court rejected the 2018 tax reform on procedural grounds, the government presented a new draft to Congress. The new law was approved at the end of 2019. The impact of the COVID-19 pandemic on the public finances and fiscal balance has led to the government already announcing further reform in this area. In December 2020, the government managed to pass a new electoral law.

The effects of the pandemic on the achievement of strategic priorities of the Duque administration are mixed. The pandemic’s socioeconomic impact has severely affected the country’s economic performance so that goals regarding economic growth, poverty reduction, and reorganization of the finances of the health care sector will not be met. The exceptional measures adopted to face the crisis have led to a higher concentration of power in the executive and undermined the oversight role of the legislative. The state of emergency provided President Duque with faculties to enact decrees altering the balance of power between the national and subnational levels and reorganizing public resource allocation.

The constitution set the legal basis for a policy assessment system. A monitoring and evaluation unit sits within the organizational structure of the national planning department (DNP). The unit is responsible for running the national system of management evaluation and results (SINERGIA). During the last few decades, Colombia has undertaken significant steps to enhance the guidelines, resources, and infrastructure for policy monitoring and evaluation according to international standards. As a member of multilateral organizations, including the OECD, the country has continuously cooperated with the assessment of its public policies. Nonetheless, as the BTI 2020 noted, issues such as corruption, inefficient bureaucracies, limited monitoring of some policies, financial constraints, and lack of coordination between different levels of government all undermine the capacity to learn from past experiences and implement changes accordingly.

Policy learning

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In the period under review, the government has demonstrated little flexibility and pragmatism. While President Duque prioritized the passing of reforms to the peace agreement with the FARC, the focus of public debate and citizen demands shifted toward issues such as inequality, poor socioeconomic conditions, and corruption. The gap between the actions of the government and citizen demands hurt the credibility of the government. Duque's approval rating dropped to 23%, according to data in January 2020. Growing discontent prompted massive protests at the end of 2019. People took to the streets to demand the resolution of structural problems as well as the firm implementation of the peace agreement.

Policy learning in response to the pandemic has been unsatisfactory. The government initially reacted swiftly by implementing social distancing measures and economic and social assistance for households and firms. In the following months, however, the administration has failed to effectively redress the health care system's problems, correct misalignments among authorities at the national and subnational levels, or improve resource allocation.

15 | Resource Efficiency

Neither the national nor the subnational governments make effective use of available human, financial, and organizational resources. Colombia has committed to enhancing the modernization of administrative structures and decision-making capacity, in order to make the government more efficient and transparent. However, practices ingrained in the state apparatus continue to stymie the efficient use of resources.

Regarding administrative personnel, recruiting procedures tend to favor political convenience at the expense of merit. Positions in public office are used to reward political allies and undergird patronage networks. As for efficient use of budget resources, Colombia has struggled to keep public finances on a sound footing for a considerable time. The COVID-19 pandemic has deepened the fiscal deficit and increased the public debt. Due to economic growth projections and robust policy frameworks, the debt is expected to remain manageable in the medium term. However, the country must undertake comprehensive reforms of tax and pension systems to ensure long-term sustainability. A serious concern over public finances is the vulnerability of auditing authorities at local and regional levels to political influence and corruption.

The response to the COVID-19 pandemic led to the reallocation of public resources, altering the distribution of resources among sectors and across national and subnational levels. Based on the legal faculties provided by the state of emergency, the government created the Emergency Mitigation Fund (FOME) and the Subaccount for COVID-19 Emergency Mitigation as part of the existing Disaster Management National Fund (FNDR). The establishment of these complied with legal requirements and they are subject to auditing. However, the distribution of responsibilities between the two mechanisms and confidentiality provisions have raised serious concerns regarding efficiency, transparency, and accountability.

Efficient use of assets

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President Duque has governed with a weak coalition in Congress and has faced confrontations with members of his own political party (Centro Democrático). This has affected the capacity of his government to effectively implement its policies, leading to poor results. For instance, although the government committed to developing a comprehensive tax reform, the result was suboptimal. The reform did not address structural problems, which have been exacerbated by the economic consequences of the COVID-19 pandemic. Other initiatives, such as judicial reform and a package of anti-corruption measures, have also led to clashes between the president and his political allies.

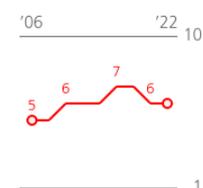
In the context of the government response to the COVID-19 pandemic, there has been a lack of coordination, unclear distribution of responsibilities, and clashes between the national and subnational levels. Local authorities have wielded their faculties to enact measures (quarantine, curfews, and closure of bus terminals) when perceiving that the national government is not doing enough to fight the pandemic. In several cases, the responses have been characterized by improvisation and a lack of consistency. In turn, President Duque and members of his cabinet have blamed local governments for failures in policy implementation.

Colombia has a robust anti-corruption legal framework. The office of the comptroller is in charge of auditing public spending, the attorney general is in charge of the disciplinary control of public employees, and the national electoral council is responsible for overseeing political parties, including their campaign spending. As part of the OECD's accession process, Colombia adopted several anti-corruption programs according to best practices and international standards. The legislative act 04 of 2019 modified the regulatory framework of fiscal control and broadened the office of the comptroller's powers to conduct investigations. However, corruption remains widespread in the public and private sectors.

Several aspects hinder effective anti-corruption enforcement, from the architecture of the institutions to dishonest and corrupt officials in law enforcement and the entities responsible for oversight. An example of the former is the procedure to select the members of the national electoral council. The fact that Congress appoints the members from a pool of nominees proposed by political parties adds a partisan trait that jeopardizes the council's independence. Concerning public procurement, there is excessive use of direct procurement and exceptional regimes by public bodies; these mechanisms enable a circumvention of the norms on public procurement and facilitate collusion schemes such as bid rigging. In addition, officials of the entities in charge of enforcing anti-corruption laws have been involved in malfeasance. For instance, in January 2021, an official of the comptroller's office was indicted for soliciting money from a former senator in exchange for modifying a ruling. While this is an example at the national level, experts and civil society organizations have raised concerns regarding the existence of this phenomenon in the subnational branches of public bodies as well.

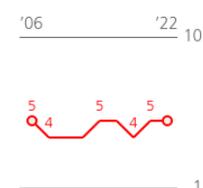
Policy coordination

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Anti-corruption policy

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As the so-called anti-corruption plebiscite in August 2018 failed to obtain the required number of votes to be binding, President Duque committed to the implementation of some measures contained in the plebiscite. Among the new bills approved is Law 2014 of 2019, which introduces stricter punishments for stakeholders, both public and private, involved in corruption, including imprisonment and disqualification from eligibility for public contracts. Likewise, the proposal to make officeholders' asset declarations public was included in Law 2013 of 2019. Proposals to reduce congressional salaries and allowances and enhance citizen participation in government budgeting processes were not passed by Congress.

16 | Consensus-Building

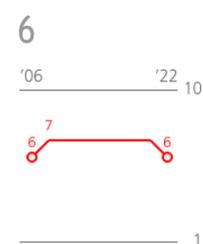
Except for guerrillas and successor paramilitary groups, major political actors agree on the relevance of democracy as a strategic goal for development and transformation. There is, however, much disagreement regarding what democracy means in practice and the guiding principles and methods to achieve it. The majority of the population share the consensus on the fundamental importance of democracy.

In principle, all major actors agree on the market economy as a normative framework for transformation. The basic consensus notwithstanding, there are several divisions regarding aspects such as the extent of market regulation, the degree of state intervention, the model of social welfare, and the balance between economic growth and environmental concerns.

There are various anti-democratic veto actors. The most prominent are the non-state armed groups, including guerrillas, successor paramilitary groups, and organized crime. After the FARC laid down their weapons, there was a reconfiguration of both the constellation of violent armed actors and violence dynamics. Whereas current violence in Colombia is regarded as less ideological, in the sense that armed actors do not have a clear political goal, economic gain plays a prominent role in their motivations, and violence continues to be political inasmuch as illegal armed groups wield power over territories, challenge the state, and subvert democratic norms.

From a subnational perspective, some powerful local elites and landowners resist democratic reforms. Political order in some regions of the country could be better characterized as a form of subnational competitive authoritarianism, in which institutions formally adhere to democratic rules but, in practice, political competition and local power are marked by clientelism, state capture, and violence.

Consensus on goals



Anti-democratic actors



Colombian society is divided: rich vs. poor, urban vs. rural, left vs. right, and the divisive legacies of violence and war. The peace process with the FARC created a new schism. The current political leadership has done little to reduce the polarization of structural conflicts. Instead of seeking alternatives to transcend the cleavages, President Duque and his political allies have leveraged the opposition to the peace accord and exploited other divisive policy issues for their political benefit. The response to social mobilization has mostly been characterized by a combination of stigmatization and violence, and dialogue has only been suggested after violent clashes between the police and the protesters had led to deaths.

The political leadership ignores the majority of civil society actors and takes only some sectors into account, in particular, powerful economic groups and businesses. Before the COVID-19 pandemic, President Duque put in motion a program of public listening exercises, traveling to different locations across the country. While these activities gave the feeling of a president committed to citizens, the impact of such events on policymaking was negligible. As a consequence of the wave of protests in 2019, President Duque proposed the beginning of a “grand conversation” encompassing all segments of civil society. This mechanism had no bearing on agenda setting and policy formulation and was disrupted by the COVID-19 pandemic.

Colombia is a war-torn country that has not reached a consensus on how to cope with the past and pursue justice and reconciliation. Law 1448, passed in 2011 under President Santos and known as the Victims Law, set the legal basis for reparation to victims and the creation of the National Center for Historical Memory. In January 2021, President Duque extended the validity of this law until 2031.

Transitional justice was a core component of the peace agreement with the FARC guerrillas. The Special Jurisdiction for Peace (JEP), the Commission for the Clarification of the Truth, Coexistence, and Non-Recurrence (CEV), and the Missing Persons Search Unit (UBPD) comprise the Comprehensive System of Truth, Justice, Reparation, and Non-Repetition (SIVJRNR). This system has been the main target of attacks by people opposing the peace agreement. In the period under review, President Duque and the Centro Democrático political party have relentlessly impugned the system, namely the JEP, arguing that it was designed to grant impunity to the FARC. The government blocked the approval of laws necessary for the JEP to operate and cut the budget of the institutions named above. Meanwhile, victims’ organizations, NGOs, civil society groups, and the international community have expressed their support for the system.

Cleavage / conflict management

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Civil society participation

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Reconciliation

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17 | International Cooperation

Colombia's development strategy is oriented toward the provision of the best conditions for foreign investment and trade openness. The country actively cooperates with multilateral organizations, such as the IMF, the World Bank, the Inter-American Development Bank (IADB), and the OECD, to develop reforms according to free-market principles and international standards.

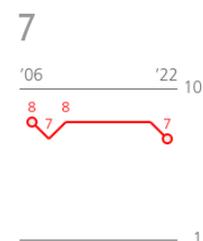
Over the last few years, the fulcrum of international support for Colombia has been the peace process with the FARC. The international community's support was a crucial component of the negotiated peace in the administration of former president, Juan Manuel Santos. In the period under review, the mismatch between international donors' priorities and the current government's half-hearted implementation of the agreement has precluded the effective use of support. Additionally, a lack of transparency in resource allocation and failures in evaluation mechanisms affect the success of projects in the long run.

The National Development Plan 2018-2022 includes the creation of a National System of International Cooperation in order to improve the governance of international assistance. According to the Presidential Cooperation Agency (ACP), in 2019 foreign aid to Colombia amounted to \$713,436,605 and encompassed 348 projects.

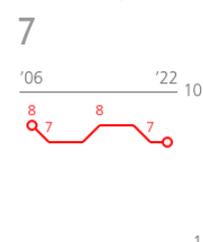
For the most part, the government acts as a credible and reliable partner. Colombia is a committed member of several multilateral organizations and has actively contributed to initiatives of regional cooperation. Likewise, the country has a positive record of compliance with international agreements and especially economic commitments. For example, it has become a member of the OECD, which was largely due to the credible reforms and changes adopted by the government to align with recommendations and good practices of the OECD. With the announcement of its membership of the OECD, Colombia's status as an investment destination improved.

However, the position of the Duque administration vis-à-vis negotiated peace initiatives undertaken by former president Santos have caused friction. Following a bomb attack on a police academy in Bogotá perpetrated by the ELN in 2019, President Duque suspended the peace talks with the left-wing guerrilla group and requested the extradition of the ELN representatives located in Havana. Cuba refused the request arguing that it is obliged to under the negotiation protocols established between the Cuban and Colombian states in the case of a rupture in the talks. In turn, the Colombian government stated that, as the protocols had been agreed with the government of former president Santos, they were no longer valid and, therefore, Colombia was not obliged to comply with them. Some experts have warned that Colombia's handling of this issue might hurt the prospects of securing international support for future peace negotiations.

Effective use of support



Credibility



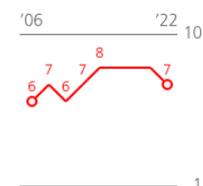
Historically, Colombia's participation in regional organizations, such as the Andean Community (CAN), was somewhat sporadic, recalcitrant and often conflictual. However, the country has become increasingly more willing to cooperate with its Latin America neighbors, such as through the Pacific Alliance and the recently created Prosur. Colombia has done this without compromising its close relationship with the United States. A salient characteristic of regional cooperation under the presidency of Duque is the priority given to alliances with like-minded governments, at the expense of a more pragmatic approach to address regional issues.

The promotion of international and especially regional action to protect human rights and foster a democratic transition in Venezuela is a top priority for President Duque. Under the framework of the regional Lima Group, Colombia has led several initiatives to support the Venezuelan opposition to the regime of Nicolás Maduro and draw international attention to the situation in the neighboring country.

Colombia assumed the pro tempore presidency of Prosur in December 2020. Prosur serves as a coordination forum for the promotion of democracy in the region, and currently the most urgent issue is political transition in Venezuela. Besides Colombia, Prosur's members are Argentina, Brazil, Chile, Ecuador, Guyana, Paraguay, and Peru.

Regional cooperation

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Strategic Outlook

Colombia faces several political, economic, and social challenges. The contradictions and unanswered questions for a society undergoing a post-peace accord transitional phase have been compounded by the impact of the COVID-19 pandemic. The peace agreement between the Colombian government and the FARC guerrillas signed five years ago ushered in a new phase in the country's trajectory of violent conflict. Despite the opposition of some political actors, notably President Duque, the implementation of the agreement has led to the establishment of peace in some areas and outstanding advances in political participation, transitional justice, and local development. However, the prospects for thorough enforcement of the agreement are dim. Measures aimed to tackle structural problems, such as land reform and rural development, have not been implemented. While the critical juncture set by the peace process is coming to an end, violence has intensified in some regions. The killing of social leaders and the failure of the state to protect them are of greater concern. Besides consolidating the progress achieved in peacebuilding and violence reduction, the government has yet to come to an accurate understanding of the character and dynamics of the current wave of violence in Colombia. It has failed to consider subnational differences and design a security policy accordingly. The international community ought to continue its support for peacebuilding efforts.

The widespread impacts of the COVID-19 pandemic will shape the country's transformation for years to come. Although the government expects Colombia to return to the economic growth levels of 2019, economic recovery will not be sufficient to make up for the damage inflicted on the welfare of the population. Along with a successful vaccination campaign, developing an effective social tracing system is a necessary task to deal with the spread of the disease. The socioeconomic consequences of the pandemic are likely to deepen inequality in the long-term. The pandemic has reversed years of progress in poverty reduction and gender equality. Particularly concerning are the effects on children in peripheral rural and urban areas. Missed schooling, undernourishment, and the negative impact on mental health may hamper the prospects of development for a significant proportion of the population.

The government's response to mitigate the socioeconomic impacts of the pandemic has placed additional strain on already weak public finances. The fiscal deficit and public debt has increased substantially. The need to pass and implement substantive reforms to the tax and pension systems to ensure fiscal stability is one of the most pressing challenges for the remainder of President Duque's term and the subsequent administration. Considering the patterns of social mobilization before the outbreak of the pandemic, it is likely that any attempt to implement these reforms will face the opposition of a large segment of Colombian society.

The extent to which the government's response to the pandemic is effective will shape the outlook for the 2022 presidential elections. If the government succeeds to vaccinate an acceptable percentage of the population, return the country to economic growth, and provide effective social assistance, President Duque, who can stand for re-election, will be at an advantage in the presidential race.