
The Republic of Korea' s Country Partnership Strategy for the Republic of Colombia

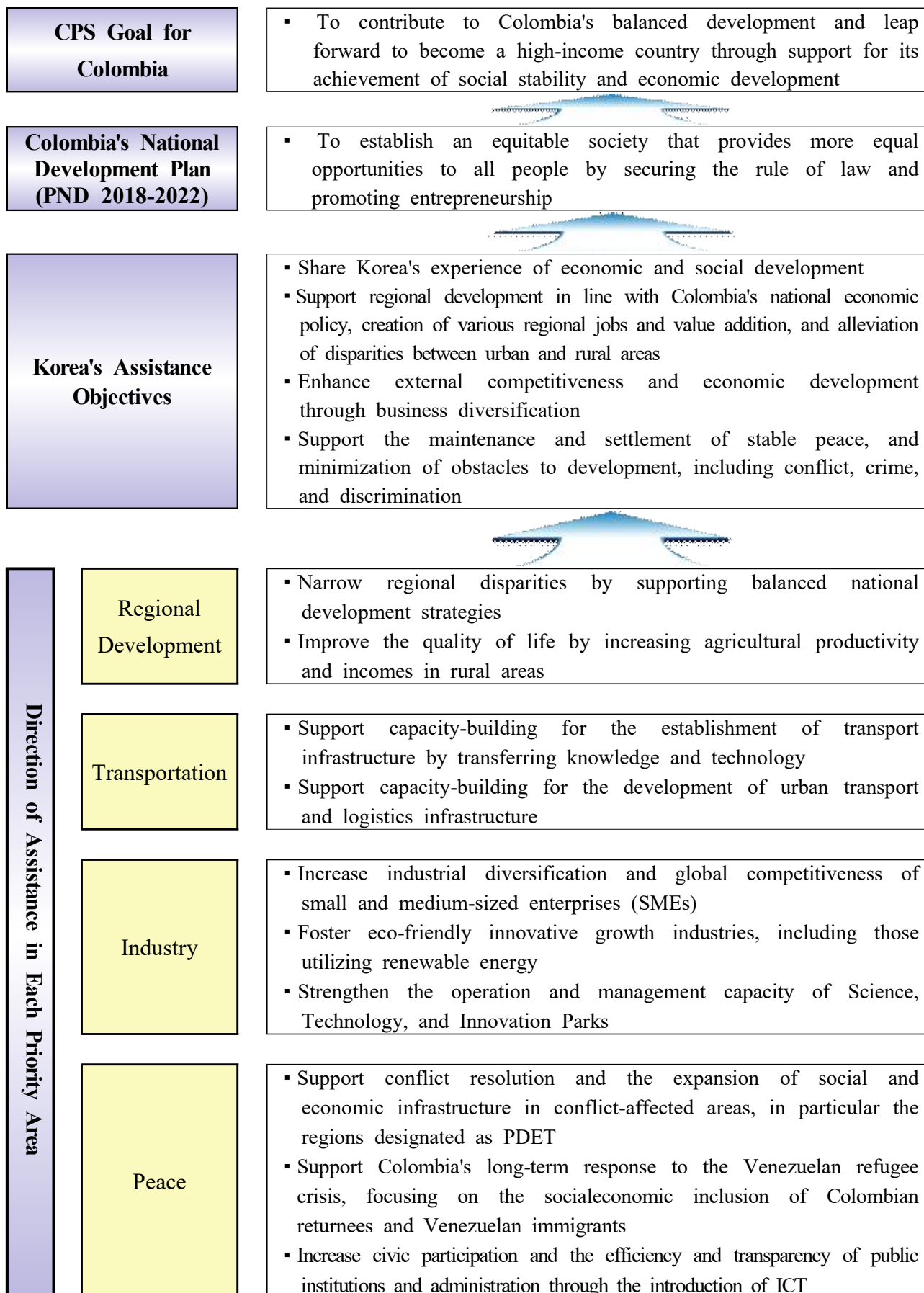
The Government of the Republic of Korea

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I. Assistance Plan



□ Assistance Goal

- Assist Colombia's balanced development and leap forward to become a high-income country by supporting an inclusive and sustainable model of development encompassing both economic and social development, based on the three pillars of “legality,” “entrepreneurship,” and “equity” under the National Development Plan for 2018-2022 (PND).

□ Reasons for the Selection of Priority Areas

1. **(Regional Development)** Wide gaps in regional living standards and incomes due to severe developmental disparities between urban and rural areas.

→ Provide support to narrow regional disparities through the creation of sustainable incomes and improvement of infrastructure in impoverished areas.

2. **(Transportation)** Poor road and railway infrastructures in comparison to Colombia's large land area, leading to low efficiency in transport and logistics.

→ Strengthen national competitiveness through the improvement of transport and logistics.

3. **(Industry)** High economic volatility due to the weak foundation of value-added industries, including manufacturing, and an industrial structure that is heavily dependent on raw materials.

→ Enhance the competitiveness of Colombian SMEs by sharing Korea's experience of economic development through policy consultations and technology cooperation, and strengthen innovative growth industries such as renewable energy (hydro and solar power) and raise the standard of science, technology, and innovation.

4. **(Peace)** More than 7.7 million internally displaced persons (IDPs) and persistent poverty and insecurity issues in conflict-affected areas due to the continuation of the Colombian conflict over the past 52 years,

in addition to instability and economic collapse in the neighboring Venezuela causing the inflow of at least 1.8 million refugees into Colombia, a figure that is expected to increase.

- Develop conflict-affected areas by providing support for the displaced people and the conflict recovery process implemented following the peace agreement, and assist social integration, including the stable settlement of Venezuelan refugees.

- ◇ **(Criteria for the Selection of Priority Areas)** Key considerations include the Colombian government's development strategies and implementation plans for each area, areas for which the recipient country requests support, policy consultations between Korea and Colombia, Korea's comparative advantages, and linkages with ongoing ODA programs.
- ◇ **(ODA Plan)** The plan will be determined considering Colombia's development needs, Korea's aid capacity, effects of completed ODA programs, and cooperation with other donor organizations, subsequently committing **over 70 percent** of the total aid amount to priority areas.

II. Proposed Assistance in Each Area

[1] Regional Development

□ Basic Direction

- Support regional development with a view to achieve balanced national development and alleviate regional disparities based on Korea's development experience and knowledge, for example, by increasing incomes through the improvement of productivity in rural areas, access to public services, and quality of life.

* Related SDG Targets

- (SDG 1.2) Halve the impoverished population in all aspects by 2030 based on the national definition of poverty.
- (SDG 2.3) Increase agricultural productivity and incomes of small-scale farmers by 2030.
- (SDG 2.a) Increase investment in rural infrastructure through international cooperation.

□ Area-specific Development Needs

- The absolute poverty rate in rural areas of Colombia is three times higher than the rate in metropolitan cities and regions with abundant resources, and access to public services is low due to the lack of roads and infrastructure, widening the disparities between regions.
- Productivity and income levels in rural areas are low due to the lack of infrastructure including roads and irrigation facilities, and most rural development has caused reckless resource development and the destruction of the environment and ecosystems, hindering rural areas from securing sustainable competitiveness in productivity.
 - In particular, the unlawful occupation and use of land and the excessive expansion of livestock farming are key factors that hinder sustainable rural development, for example, by causing environmental problems and undermining the capacity to respond to

climate change.

- The Colombian government plans to select and support the agricultural sector as a priority support area and increase productivity by diversifying agricultural crops and establishing agricultural infrastructure, including roads and irrigation facilities.
 - In addition, the government plans to promote the improvement of the quality of life in rural areas through the establishment of infrastructure including schools, health centers, and water and sewerage facilities.
- Meanwhile, Colombia faces the challenge of rapid urbanization. To ensure sustainable growth, Colombia needs to enhance its urban development capacity to solve problems in cities related to transport, environmental pollution, safety, and natural disasters.

□ **Korea's Aid Capacity**

- Korea has experience and knowledge of successfully improving agricultural productivity in a relatively unfavorable environment and, in particular, is able to support human resource development and the improvement of living conditions in rural areas through agricultural development policies and projects.
- Korea has experience of developing urban housing and new towns, as well as experience and knowledge of improving the standard and quality of life in cities within a short period of time through various measures including comprehensive city planning and development.

□ **Implementation Plan**

- Enhance the value chain across production, processing, and distribution system, and increase export items to raise market access, income, and productivity in rural areas.
- Transfer modern agricultural technology and enhance farmers' capacity with a focus on conflict-affected areas in response to environmental

protection and climate change.

- Provide support for the construction of urban housing and new towns as a means to expand basic infrastructure, including land and economic development and the expansion of public service delivery.
- Provide technical support, for example, for the establishment of a new town master plan, based on Korea's experience and knowledge.

[2] Transportation

□ Basic Direction

- Contribute to the achievement of Colombia's transport infrastructure development plan by supporting the establishment of a master plan based on Colombia's transport and logistics infrastructure policies, policy consultations, knowledge and experience transfer, and vitalization of public-private cooperation.

*** Related SDG Targets**

- (SDG 3.6) Halve the number of global deaths from road traffic accidents by 2020.
- (SDG 9.1) Develop sustainable and resilient infrastructure.
- (SDG 11.2) Provide access to safe, affordable, accessible and sustainable transport systems.

□ Development Needs

- Colombia ranked 66th in the Global Competitiveness Report (2014-2015) of the World Economic Forum, its highest position since 2007.
- However, the lack of transport and logistics infrastructure hinders Colombia's social and economic development as high logistics costs disrupt the utilization of domestic markets.

- Colombia's global transport infrastructure ranks 126th in roads, 102nd in railroads, 90th in ports, and 78th in air transport, which are substantially low compared to emerging Asian countries and Latin American countries.
- The Colombian government established the National Infrastructure Agency (ANI) and National Development Finance (FDN) to improve transport and logistics infrastructure, enacted the Public-Private Partnerships Law (PPP Law) to attract private finance, and plans to invest approximately three percent of the national GDP each year in transport infrastructure.
- The Colombian government presented the Master Plan of Intermodal Transport (PMTI) 2015-2035 (November 2015) with the aim to improve the transport infrastructure.
 - The master plan outlines infrastructure expansion policies and priority projects for import and export revitalization, inter-regional integration, and reduction of logistics costs.
- **(Roads)** The proportion of freight transport by road is very high at 71 percent, but the proportion of paved roads is considerably low at 11.8 percent, and 50 percent of paved roads are in need of repair.
 - The Colombian government is currently promoting the Fourth Generation Road Concession Program to build 8,000 km of roads through public-private partnerships (PPP) at a scale of approximately 51 trillion Colombian pesos.
- **(Railway)** The proportion of freight transport by railroad is 27 percent, mainly used to transport coal. Colombia's railroad network will be extended by 1,769 km through concession projects and other means.
- **(Inland Water Transport)** The Colombian government presented the River Transport Master Plan in 2015 with the aim to increase investment in inland water transport facilities as a way to diversify transport modes and facilitate inter-regional trade.
- **(Ports)** The volume of goods transported through ports reached 183 million tons during 2013, a 150-percent increase compared to 2002.

Colombia plans to expand public ports along the country's Pacific and Atlantic coasts in preparation for the expansion of the Panama Canal.

- **(Airports)** As of 2014, 58 million passengers used Colombian airports, an increase of 7.61 percent compared to the previous year.
 - Out of all air passengers, 47.25 percent traveled through El Dorado Airport in Bogota. In response to the increasing number of passengers using El Dorado Airport, the Colombian government is considering the construction of a new airport near Bogota.
- **(Public Transportation)** Greenhouse gas emissions in Colombia have rapidly increased in line with the increase in traffic. The government is promoting the establishment of the Integrated Public Transport System to respond to climate change, traffic congestions, and high rate of road damage.

□ **Korea's Aid Capacity**

- Based on Korea's technology and experience in the extension of the nationwide road network within a short period of time through the Comprehensive Land Development Plan, Korea has the capacity to support Colombia to establish and implement policies for investment, laws and systems, and operation and management with regard to transportation.
 - **(Road and Railway)** Korea is globally competitive in the establishment of intelligent road transport systems based on IT, and the formulation of a railroad master plan, vehicle manufacturing, and establishment of signaling systems.
 - **(Ports and Airports)** Korea is globally competitive in the construction and operation of ports and airports, and can provide support for the formulation of a master plan on consultations for airport operation and port development.

□ **Implementation Plan**

- Formulate a master plan for the establishment of infrastructure including railways, subways, airports and ports, and share Korea's experience and knowledge of transport infrastructure development through the Knowledge Sharing Program (KSP).
- Provide financial consulting services on infrastructure investment projects for the establishment of transport and logistics infrastructures, and participate in the co-financing of such projects.

[3] Industry

□ Basic Direction

- Enhance the competitiveness of Colombian industries, SMEs and science, technology, and innovation (STI) capabilities through policy consultations and systemic improvements.

* Related SDG Targets

- (SDG 9.2) Promote inclusive and sustainable industrialization.
- (SDG 9.5) Enhance scientific research and upgrade the technological capabilities of industrial sectors in developing countries.

□ Development Needs

- The Colombian economy is an open economy in which foreign investment and the private sector play an active role and contributing to diversity.
- However, energy and mineral resources comprise a significant proportion of the GDP, while that of manufacturing and agriculture are relatively low.
- Colombia's raw material-centered industrial composition is resulting in low employment and environmental problems, and the recent decline in global prices of raw materials is raising volatility, contributing to concerns such as an economic recession.
- Therefore, in order to improve productivity and competitiveness,

Colombia needs to diversify its industrial composition and export base, and enhance the capacity of SMEs, while fostering eco-friendly innovative growth industries based on renewable energy, including water and solar power to adapt to and alleviate environmental problems, including climate change.

- Meanwhile, Colombia is promoting capacity-building in STI to improve its industrial productivity and competitiveness, and hopes for the continued support of the international community towards its capacity-building efforts, including Korea's support for the establishment of a master plan for STI Parks.

□ **Korea's Aid Capacity**

- Korea possesses world-class competitiveness in electronics, automobiles, ICT, renewable energy, and shipbuilding, and successfully transitioned from labor-intensive industries to capital- and technology-intensive industries within a short period of time.
- Korea also has world-class research and development institutions in various fields of industry, science, and technology, through which the country has secured global competitiveness in policy-making, research and development for industrial growth and science, technology, and innovation.

□ **Implementation Plan**

- Strengthen the competitiveness of industries and SMEs by providing policy consultations in various fields with the potential to create jobs and achieve sustainable growth, including automobile parts, electronics, ICT, renewable energy, and food processing.
- Provide policy consultations on STI policy-making and technical cooperation for the establishment and operation of STI centers.

[4] Peace

□ **Basic Direction**

- Contribute to the expansion of social and economic infrastructure in conflict-affected areas and the social reintegration of the conflict-affected population such as displaced people and disarmed rebels through the conflict damage recovery program following the peace agreement signed by the Colombian government in 2016.
- Support a stable response from Colombia as the closest neighboring country with regard to political and economic instability in Venezuela, in order to turn the crisis of massive refugee influx into an opportunity for the future.

*** Related SDG Targets**

- (SDG 9.1) Develop quality, reliable, sustainable and resilient infrastructure.
- (SDG 16.1) Reduce all forms of violence and related death rates everywhere.
- (SDG 16.b) Promote and enforce non-discriminatory laws and policies for sustainable development.
- (SDG 16.6) Develop effective, accountable and transparent institutions at all levels.
- (SDG 16.7) Ensure inclusive and participatory decision-making at all levels.

□ Development Needs

- The biggest obstacle to Colombia's national development is the ongoing 52-year conflict between the Colombian government and rebel militias. In particular, the continued violence and cultivation of illicit crops including coca in conflict-affected areas threatens the safety of citizens, and the living standard and access to public services in such areas show a significant gap in comparison to other regions.
- Since the peace agreement signed in 2016, the Colombian government is advancing the peace process as a way to implement the agreement by establishing the Territorially Focused Development Program (Programas de Desarrollo con Enfoque Territorial, PDET) and seeking to repair the conflict-affected areas.
 - To this end, the Colombian government established a new peace agency in 2015, engaging in policies including the development of conflict-affected areas; provision of opportunities for rebels to participate in politics; substitution of illicit crops; disarming and

rehabilitation of rebels; verification of facts; and compensation of victims.

1. Support the establishment of infrastructure in areas involved in the conflict against rebels, particularly the regions designated as PDET

- In line with the 2016 peace agreement, the Colombian government is supporting and developing areas selected for the PDET that are facing dire needs for social and economic development due to the longstanding conflict.
- The living conditions in the rural areas of Colombia are very poor, since major public institutions including schools and hospitals were destroyed in the conflict. The quality of and access to public services, including education and health care, must be enhanced through the improvement of infrastructure in small communities.
- The Colombian government is seeking to enhance public trust in its plan for social integration and peace-building by creating jobs and sustainable incomes through the improvement of infrastructure within conflict-affected areas.
 - The government's infrastructure improvement project is expected to facilitate employment in areas where victims and perpetrators co-exist, leading to increases in incomes and living standard, as well as contributing to peace-building.

2. Assist IDPs and Venezuelan refugees

- In addition to 7.7 million IDPs resulting from the 52-year conflict, Colombia is also currently accommodating more than 1.8 million Venezuelan refugees caused by the instability in Venezuela. The Colombian government is actively calling for support from the international community to assist the refugees.
- The requests of the Colombian government include humanitarian supplies for urgent relief; provision of basic services such as education (for children) and health care; and enhancement of refugees' economic capabilities such as vocational training, considering the possibility of their permanent settlement in Colombia.

- The Colombian government regards the refugee issue not as a temporary phenomenon but a long-term issue, thus formulating and implementing refugee assistance policies from a sustainable perspective.

3. Provide support for the rehabilitation and integration of disarmed rebels including vocational training

- Following the signing of the peace agreement, the importance of social integration programs is being emphasized for the resettlement of disarmed rebels. Thus, the Colombian government is promoting the National Policy on Social and Economic Reintegration and calling for support from the international community.
- In particular, the Colombian government hopes to strengthen cooperation with Korea, through which Korea's Unification Ministry could transfer its knowhow of its program to support the settlement of North Korean defectors, including vocational training.

□ Korea's Aid Capacity

- Korea has experience of vitalizing rural communities including the improvement of regional incomes and creation of added value within a short period of time by successfully implementing rural development projects.
- Korea introduced an e-government system based on advanced IT, making enormous progress in government innovation, administrative reform, and eradication of corruption. It also has experience of transferring its experience to other countries and has been evaluated as a good practice by the international community including the United Nations.
- Korea has experience of establishing and operating settlement support facilities for North Korean defectors, which it can transfer to support peace-building and social integration in Colombia.

□ Implementation Plan

- Follow the directions of the Colombian government's priority projects

for peace-building in providing support for the return of land to displaced people and establishment of infrastructure for public services; guarantee of land ownership and implementation of a national cadastral system; rehabilitation of retired rebels; and establishment of private sector partnerships for the substitution of illicit crops and improvement of regional productivity.

- Intensify on-site efforts for sustainable peace-building by enhancing partnerships with Colombian government agencies, civil society organizations (CSO), and international organizations located in Colombia, and implement peace-building programs by promoting inclusive aid programs that include vulnerable groups such as women and the disabled, and incorporating environmental mainstreaming.

III. Performance Monitoring Guidelines

Recipient Country's Development Goal (Colombia's National Development Strategy) : To establish an equitable society that provides more equal opportunities to all people by securing the rule of law and promoting entrepreneurship				
CPS Goal : To contribute to Colombia's economic growth, poverty reduction, and improvement of the quality of life by supporting regional development, establishment of transport infrastructure, enhancement of industrial and STI competitiveness, and peace-building				
Priority Areas	Goal(s)	Limitation(s)	Outcome(s)	Performance Indicator(s)
Regional Development	<ul style="list-style-type: none"> To narrow regional disparities through a strategy for balanced national development - SDGs 1.2, 2.a To improve the quality of life by increasing agricultural productivity and incomes in rural areas - SDGs 2.3, 2.a 	<ul style="list-style-type: none"> - Lack of agricultural and basic infrastructure - Limited capacity of related institutions 	<ul style="list-style-type: none"> - Increased agricultural incomes - Improved the competitiveness of agricultural technology 	<ul style="list-style-type: none"> - Increased agricultural production - Increased incomes among impoverished groups such as farmers - Number of agricultural workforce trained in farming techniques
Transportation	<ul style="list-style-type: none"> To support the enhancement of the capacity to establish transport infrastructure through knowledge and technology transfer - SDGs 3.6, 11.2 To support the enhancement of the capacity to develop urban transport and logistics infrastructure - SDGs 9.1, 11.2 	<ul style="list-style-type: none"> - Lack of infrastructure - Low usage of sustainable transportation - Limited financial resources 	<ul style="list-style-type: none"> - Strengthened ITS capacity - Improved efficiency of urban transport infrastructure - Supported the establishment and implementation of a transport master plan - Transferred technology and experience of establishing transport infrastructure 	<ul style="list-style-type: none"> - Number of improved transport facilities - Number of people trained in transport-related areas
Industry	<ul style="list-style-type: none"> To enhance industrial diversity and the global competitiveness of SMEs - SDGs 9.2, 9.3, 9.5 To strengthen the operation and management capacity of Science, Technology, and 	<ul style="list-style-type: none"> - Policy changes - Inadequate laws and institutions - Insufficient infrastructure - Lack of cooperation among relevant institutions 	<ul style="list-style-type: none"> - Enhanced industrial policy capabilities - Strengthened science, technology, and innovation capacity - Enhanced human capabilities and competitiveness in 	<ul style="list-style-type: none"> - Number of people provided with capacity-building education - Number of cases for legislating and reflecting suggestions on systemic improvements

	<p>Innovation Parks</p> <ul style="list-style-type: none"> - SDG 9.5 		<p>science, technology and innovation</p> <ul style="list-style-type: none"> - Formulated plans for the establishment of relevant organizations 	
Peace	<ul style="list-style-type: none"> ● To support the establishment of social infrastructure and local roads in conflict areas - SDG 9.1 ● To provide support for the rehabilitation and integration of disarmed rebels including vocational training - SDGs 16.1, 16.3, 16.6, 16.7 ● To assist IDPs and Venezuelan refugees - SDGs 16.3, 16.6, 16.7 	<ul style="list-style-type: none"> - Limited government resources and policy capacity - Insufficient training facilities for rehabilitation and integration - Shortage of the government's human and material resources for refugee aid 	<ul style="list-style-type: none"> - Established basic infrastructure in conflict areas - Modernized social integration programs - Strengthened guarantee of basic rights for refugees 	<ul style="list-style-type: none"> - Citizens' satisfaction with improved public services - Number of new aid programs for IDPs and overseas refugees

IV. Implementation Strategy

- **(Public-Private Partnerships)** Actively utilize private resources and strengthen cooperation with NGOs in consideration of Colombia's improved economic level, large-scale projects, and enhanced debt management capacity.
 - Facilitate PPPs by utilizing package financing including aid fund, policy financing, and private investment for large-scale infrastructure building projects in consideration of the characteristics of Colombia as an upper-middle-income country (UMIC).
 - Ensure aid transparency and public support through the establishment of a cooperation network among Korean and Colombian NGOs to share information and enhance capabilities.
- **(Aid Coordination)** Strengthen partnerships with other donor organizations and identify promising co-financing projects by participating in local consultative bodies with a focus on priority areas.
 - Actively participate in conferences jointly held by the Colombian government, advanced donor countries, and multilateral development banks (MDBs).
 - Identify promising co-financing projects by utilizing the Korea-World Bank (WB) co-financing MOU (USD 300 million) and the Korea-Inter-American Development Bank (IDB) co-financing facility (USD 300 million).
- **(Linkage of Grants and Loans)** Establish linkages between grants and loans across all stages of each project to identify promising aid projects and improve the completeness and sustainability of projects.
 - Facilitate the package-style linkages in cooperation with the Colombian government from the project identification stage, based on policy consultations through the Knowledge Sharing Program (KSP) and Development Experience Exchange Partnership (DEEP), free technical

cooperation (for training, operating personnel, equipment, etc.), and untied loan financing cooperation (for financing large-scale construction projects, operating costs, etc.).

- Establish a detailed assistance plan for each priority area under an agreement between the ODA coordination agency and competent Colombian authorities based on active joint policy consultations on grants and loans.
- **(Post-project Management)** Conduct a joint review with the Colombian government on the management of completed projects in the priority areas and establish a comprehensive assistance plan.
- Provide follow-up support for appropriate projects with a focus on building the capacity for self-reliance to allow the beneficiary organization to support itself and eventually terminate support.
 - Extend the maintenance period appropriately and apply more rigorous requirements and supervision to maintenance providers in consideration of project characteristics and risks.
 - Establish an integrated support system for follow-up management in connection with the dispatch of experts and volunteers, and invitations to Korea for training.
- **(Trilateral Cooperation)** Korea and Colombia will review the promotion of trilateral cooperation to provide joint support for the economic development of third-party developing countries.
- The Colombian Ministry of Foreign Affairs and the Colombian Presidential Agency of International Cooperation (Agencia Presidencial de Cooperación Internacional, APC) are actively seeking to diversify development cooperation methods, including the establishment of a department for south-south cooperation in 2019.
 - In cases where a third-party developing country requests assistance, the two nations will jointly consider aid programs according to international norms for trilateral cooperation.

- **(Contribution to the SDGs)** Korea has established its ODA policies with a mainstream focus on the SDGs, which represent the shared goals of the international community.
- Korea is making strategic contributions to the achievement of the SDGs by reflecting them across the various target areas, methods and systems of ongoing projects, as well as implementing new joint development projects initiated by the Korean government in accordance with each beneficiary nation's circumstances following the UN SDG Summit.
- Based on the overarching principle of “Leaving no one behind” in the 2030 Agenda for Sustainable Development, Korea is working towards reducing inequality by incorporating considerations of gender equality in all proposed ODA programs (See the Recommendations for the Application of a Gender-Sensitive Perspective below).

<Recommendations for the Application of a Gender-Sensitive Perspective>

1. At the project identification stage, conduct a gender analysis* as a rule.
 - * Survey and analyze gender-based labor activity patterns, gender relationships and women's participation in decision-making, etc. in families and the society.
2. At the project designing stage, consider and reflect gender analysis outcomes as specifically as possible in performance indicators and project plans.
 - * For example, include targets reflecting women's needs and set gender-based target values.
3. At the project implementation stage, ensure the faithful implementation of planned gender equality measures and share them with the diverse range of stakeholders.
 - * In addition to the planned measures, continue to explore and utilize the available means for the participation of women.
4. At the evaluation and monitoring stage, assess the gender-based impacts on outcomes and performances.
 - * Describe the beneficiaries and achievements of a project by separating them by gender up to a reasonable degree.