I. Project Context

A. Country Context

**Colombia has been affected by armed conflict for some fifty years.** Cycles of violence started as an ideological conflict between the two main Colombian parties in the 1960s, after an intensely violent period known as *La Violencia* (1948-58), and evolved into low-intensity warfare among communist insurgencies and government forces. During the 1970s, the conflict progressed into a protracted confrontation with multiple actors competing for rent extraction, including the *Revolutionary Armed Forces of Colombia* (RAFC/FARC), the Army of National Liberation (ANL/ELN), and paramilitary groups. Since the 1990s, non-state armed groups such as the guerrillas and *New Illegal Armed Groups* (NIAGs) have pursued the systematic dispossession of land and forced displacement as a war tactic. The illegal drug trade has also played a major role in a conflict that is now as much about rent-seeking as it is ideology.

**The conflict has exacted a heavy toll on human capital, affecting economic growth and posing serious obstacles to poverty reduction.** Protracted conflict has caused the loss of more than 220,000 lives since 1958, 82 percent of which were civilians. Between 2002 and 2012, GDP
growth was around 5 percent, with poverty rates falling from 53.5 percent to 45 percent, high in comparison with other countries in the region with similar economic performances. As of November 2014, over seven million victims of the conflict were officially registered.

**The geographical concentration of conflict violence in sub-national levels has disproporionately affected rural populations and isolated areas rich in natural resources and strategic for illegal economies.** In turn this has exacerbated the urban-rural divide with rapid growth in the major cities and extreme poverty in rural areas. Colombia is the tenth most unequal country on earth, manifested in distorted rural development: the Gini coefficient for 2012 is 53.5 and 1.15 percent of the population owns some 52.2 percent of the land.

**The conflict has contributed to the breakdown of social capital and decreasing trust between the state and society.** Violence and conflict have affected every level of social life from individuals and families to communities. Ethnic groups, women organizations, unions, and human rights activists, among other social groups, have been subject of human rights violations due to their political and professional affiliations, inhabited area or territory, gender, and ethnic belonging. At the same time, the state is not fully present in many rural regions and state action has often been weak, contributing to the distrust in the legitimacy of the government institutions.

**B. Sectoral and Institutional Context**

Colombia faces an historic opportunity to break from its violent past and achieve sustainable peace. In November 2012, the Government of Colombia (GoC) started negotiations with the FARC. This is historic in that it represents the first attempt at dialogue after several failures in the past. While challenges remain, the current peace process is bolstered by strong international support, a favorable domestic economy, a comprehensive policy framework, and the parties’ recognition that military victory is not a feasible option. A successful conclusion to the talks would mean not only a peaceful resolution of the Western Hemisphere’s longest running civil war, but also one of the largest humanitarian crises in the world.

This process has been predicated by the development of a comprehensive legal framework for the peace process by the GoC. This has included the Victims and Land Restitution Law (2011) and the Legal Framework for Peace (2012). The main issues in the framework and hence the agenda for the negotiating parties include: (i) rural development and land reform; (ii) political participation of the insurgents; (iii) cessation of the conflict (including security guarantees and demobilization of forces); (iv) addressing drug trafficking; (v) victims’ reparation and (vi) the implementation and monitoring of the peace agreement. As of to date, preliminary agreements have been reached on the first four points of discussions during the peace talks.

**In 2011, the GoC established the Unit for Attention and Integral Reparation for Victims (Victims Unit) to coordinate individual and collective reparations.** The Victims Unit (VU) is an autonomous entity that reports directly to the President’s Office, and is institutionally attached to the Administrative Department of the Presidency, Department for Social Prosperity (DPS). The VU includes the Reparations Directorate at the Bogota level, as well as Territorial Directions and Regional Centers at the local level. In addition, local authorities and civil society organizations play a key role in the implementation of the Victims Law. The VU also coordinates the National System of Attention and Reparation of Victims (NSARV/SNARIV),
established by the Victims Law in order to prioritize, coordinate, and decentralize service delivery for victims. The SNARIV is made up of 52 national agencies and an executive committee chaired by the President of the Republic. At the national level, the system functions through operational plans designed by technical subcommittees in coordination with line ministries. At the territorial level, the SNARIV is implemented through Local Action Plans (LAPs) overseen by Transitional Justice Committees (TJCs) in each province and municipality.

As of November 2014, the VU has identified 303 Collective Reparation Subjects for support and approved 37 Collective Reparation Plans. CRSs are political and social groups as well as communities and organizations that have been recognized as a collective subject because of their culture, inhabited area or territory, or common purpose. CRSs are considered victims as a group if: (i) their collective rights were violated, (ii) members’ individual rights were violated, or (iii) their collective rights were affected because of the violation of individual rights. CRPs include measures of restitution, indemnization, rehabilitation, satisfaction, and guarantee of non-repetition. These measures are not only aimed at restoring victims’ dignity, but also have a transformative objective by reconstructing the social, cultural, and economic practices disrupted by the armed conflict. CRPs are carried out by each of the subjects of collective reparation on the basis of a participatory dialogue with public institutions.

Currently, the VU faces institutional challenges in responding to the increasing demand for collective reparations. Out of the 303 approved CRPs, only 6 are currently being implemented. While significant progress has been made in identifying CRSs and initiating the development of CRPs, operational challenges remain with respect to finalizing CRPs and their implementation, especially at the local level. In addition, it is expected that a positive outcome of the peace negotiations will increase the number of CRSs and CRPs and strain the existing institutional capacity to scale-up victims’ reparations even further, particularly in conflict-affected regions.

The GoC has specifically requested Bank support given its neutral position and global expertise on conflict, security and development, particularly in planning for a potential post-conflict period. To coordinate its engagement, the World Bank Country Team has developed a package of Programmatic Knowledge Services (PKS) on peace consolidation. The PKS is an inter-sectoral approach to implementing and learning from small-scale initiatives that target violence prevention, citizen security, reconciliation, land restitution, and help to establish a foundation for peace-building and development. This project responds to the need to increase the capacity of the VU at the national and local level to carry out collective reparations as per the Victims Law. Collective reparations represent an opportunity for sustainable development and peace if it moves victims out of vulnerability and poverty, promotes social reconstruction, creates spillover benefits for other community members, and increases trust in state institutions.

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1 In addition, CRSs should meet the following criteria: areas prioritized for land restitution and collective resettlement, ethnic communities, groups investigated by the National Center for Historical Memory, as well as groups with a national presence such as journalists, political parties, and women’s groups.

2 Comprehensive and transformative reparations include five main measures: i) compensation for economic losses from physical, mental, or moral damage; ii) restitution to reestablish victims’ conditions prior to the violation of rights; iii) rehabilitation to recover lost capacities; iv) moral satisfaction through symbolic measures to compensate for moral damages inflicted and v) guarantee of non-repetition by ensuring victims’ personal safety.

3 It should be noted that individual and collective reparations are not mutually exclusive; a victim can be compensated through both mechanisms.

4 These CRPs were designed by the former National Commission for Reparation and Reconciliation.
Colombia is the first country in the world to develop and implement a comprehensive framework for collective reparation. It is therefore essential to support the VU in order to capitalize on early experiences and build the institutional strength needed to tackle upcoming challenges.

II. Proposed Development Objective(s)

The objective of this project is to strengthen and deploy a model for the Collective Reparation Program for victims at the national and local level based upon documentation and systematization of the implementation of selected Collective Reparation Plans.

III. Project Description

The project will comprise the following components: (i) strengthening national and sub-national capacities to implement the collective reparation program; (ii) supporting the implementation of measures of Collective Reparation Plans for ethnic and non-ethnic subjects and (iii) generating knowledge and learning on collective reparations.

Component 1. Strengthening national and sub-national capacities to implement the collective reparation program (US$1.2 million). The project will assist the VU in validating and improving a collective reparations framework and develop a standardized methodology that stakeholders at the national and local level can use to scale-up the implementation of comprehensive reparation programs. Specifically, this component will support: (a) strengthening the VU implementation capacity at the national and territorial level; (b) strengthening local authorities to design and implement CRPs with ethnic and non-ethnic subjects; (c) strengthening CRSs (e.g. Comités de Impulso and Grupos de Apoyo) for the design and implementation of their CRPs and (d) program management.

Component 2. Supporting the implementation of measures of Collective Reparation Plans for ethnic and non-ethnic subjects (US$2.8 million). This component will support the implementation of selected CRPs that are the direct responsibility of the VU, using the framework for collective reparations developed by the VU. Specifically, this component will support: (a) selecting CRPs to be supported by the project; (b) developing implementation strategy for each selected CRPs at the national and local level and (c) implementing selected CRPs.

Component 3. Generating knowledge and learning on collective reparations (US$ 0.7 million). Given the innovative nature of the collective reparations approach, the project will support specific activities to ensure lessons learnt are captured and feed into the development of a model for scaling-up the collective reparation program, as well as establish a network for a continuous and informed dialogue and knowledge sharing among internal and external key stakeholders. Specifically, this component will support: (a) implementing a monitoring and evaluation and knowledge management strategy to measure the results of the CRPs and (b) promoting learning exchanges including south-south learning.
IV. Financing (in USD Million)

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V. Implementation

The overall coordination and implementation of the project will be the responsibility of the Victims Unit.

VI. Safeguard Policies that might apply

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VII Contact point

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* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas
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