



Food and Agriculture
Organization of the
United Nations

Colombia



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A people-centered approach to territorial development

**Peace through cooperative initiatives,
the experience of Colombia's rural municipality of Caldone**

Summary and key figures

The Colombia country office of the Food and Agriculture Organization of the United Nations (FAO), in the framework of an agreement with the Territorial Renewal Agency (ART in Spanish), implemented a Territorial Approach to Development Program (PDET in Spanish) in the municipality of Caldoño, which achieved excellent results in promoting economic recovery and strengthening associativity and social cohesion in a territory affected by more than three decades of armed conflict. Working directly with more than a thousand rural families, through four indigenous and five rural organizations, the program has managed to balance

different interests in an unprecedented process of social integration and territorial development. By promoting the production of four main products to meet market demand – coffee, natural fibre (fique), panela cane sugar and blackberry – and using a territorial value chain strategy, the program facilitated the revitalization of the local economy, with sales totalling over USD 1 million in 2019, while protecting the social, cultural and environmental sustainability of the territory. In addition, it promoted collaboration and horizontal integration among all the actors to ensure the sustainability of the development process.

Implementation period:	July 2017 – December 2019.
Location:	Municipality of Caldoño, Cauca Department, Colombia.
Number of direct participants:	1 048 families in 44 villages (out of 86 villages in the municipality).
Number of indirect participants:	5 000 families.
Executors:	FAO, Territory Renewal Agency (ART) under the Ministry of Agriculture and Rural Development.
Funders:	ART, Communities.
Partners:	Cauca Coffee Growers Committee, Mayor's Office of Caldoño, San Lorenzo de Caldoño Indigenous Reservation, Central Cauca Indigenous Cooperative (CENCOIC in Spanish), Indigenous Cabildos Association of Caldoño, National Training Service (SENA in Spanish), TECNICAFÉ, USAID Commercial Partnerships Program, Cauca Regional Center for Productivity and Innovation (CREPIC), Colombian Corporation for Agricultural Research (CORPOICA), Empaques del Cauca and Empaques de Medellín.

Investment and benefits:

Total amount of the project:	USD 2 417 000
Community contributions:	USD 1 236 000
National government contribution (ART):	USD 1 157 000
Other contributions:	USD 24 000
Amount invested per participating family:	USD 2 306
Annual sales revenue (2019):	USD 1 058 000

Key words: Territorial development, value chain, trust, participation, indigenous communities, associativity.



A conflict zone prioritized in the Strategy for the Territorial Approach to Development Programs (PDET)

Caldono is located in the southwest of Colombia (Cauca Department) and is one of the 170 municipalities prioritized in the country's Strategy for the Territorial Approach to Development Programs (PDET), which was adopted as part of the Final Peace Agreement. The municipality faces serious problems related to the armed conflict, as well as conflicts over access to land between indigenous people and farmers, the illegal economy, poor road infrastructure, low educational levels and high poverty. For more than 30 years, this municipality, like many others in Colombia's conflict area, has suffered from the absence of the State.

Therefore, it has been identified by the State as one of those municipalities to be prioritized in its actions aimed at promoting economic recovery and the structural transformation of rural areas.

The municipality has an area of 373 km² and a population of 31 886 inhabitants, of which only 5 percent live in the main urban center. Of the total population, 71 percent identify themselves as indigenous – mainly from the Nasa ethnic group and, to a lesser extent, the Misak ethnic group (2005 Census). Through the indigenous councils, this group controls 98 percent of the municipality's land area.



Caldono: structural vulnerabilities

- **Poverty:** 70 percent of the population is poor according to UBN (June 30, 2010)
- **Armed conflict:** 225 armed actions registered between 1990 and 2013
- **Conflicts between indigenous people and rural families,** mainly over land. Also between indigenous Nasa and Misak peoples (Guámbianos)
- **Low educational level:** 15.7 percent of people aged 15 and over, cannot read or write
- **Poor road infrastructure** in rural areas

Source: FAO, 2020, Case study, Economic, environmental and productive development in rural areas affected by the conflict and prioritized by the National Government for Territorial Approach Development Programs (PDET): the experience of Caldono.



FAO Colombia and Territorial Renewal Agency Agreement

Support for Territorial Development Programs

Colombia's Territorial Renewal Agency (ART), under the Ministry of Agriculture and Rural Development, is the entity responsible for the implementation of the Territorial Approach to Development Programs (PDET), as the initial stage of the Comprehensive Rural Reform (RRI in Spanish) envisioned in the peace agreement. The PDET were conceived as an instrument for participatory planning and triggered an unprecedented on-going consultation and participation process, which has mobilized about 220 000 people at the village, municipal and sub-regional level in the 170 priority municipalities. The criteria for selection were: i) levels of poverty, in particular extreme poverty and unmet needs; ii) how affected the municipality was by the conflict; iii) the weakness of administrative institutions and management capacity; and iv) the presence of illicit crops and other illegal economies.

As a result of this process, the Action Plans for Regional Transformation (PATR in Spanish) were developed, which reverse the traditional logic of

development planning by involving communities from the beginning and allowing them to prioritize their needs and initiatives, while looking to achieve 'early successes'.

Within this framework, FAO Colombia and ART signed an agreement to support six municipalities, including Caldonio(*). The project, "Implementation of economic, environmental and productive development activities in conflict-affected rural areas prioritized by the national government" (July 2017-December 2019), is part of the pillar of "Economic recovery and agricultural production".

(*) The six municipalities are: Caldonio (Cauca), La Paz (Cesar), Fonseca (La Guajira), Dabeiba and Vigía del Fuerte (Antioquia), and Planadas (Tolima).

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Challenges

Reactivating the economy of the territories while balancing the different interests in a process of social integration

The project is designed to face the challenge of boosting productive development and raising incomes in families and organizations in conflict-affected rural areas that have been prioritized by the government. It aims to take advantage of the endogenous potential of the territories to generate favourable conditions for their economic recovery and the insertion of farmers in functional markets. To do this, the project focuses on:

- » Strengthening family production systems adapted to the local agroclimatic situation, environmental conditions and the demand of regional and local markets.
- » Optimizing the functioning of producer associations, the Community Action Boards (CABs), ethnic groups and/or other social organizations present in the territories through the development of their administrative, technical and commercial capacities.

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Participants

Indigenous organizations, farmer organizations and rural families in a common territorial development process

- » Nine organizations: four indigenous organizations and five farmer organizations.
- » 1 049 families directly, 5 000 families indirectly (strengthening of social organizations, collaborative investments, users of services provided by the organizations).
- » Four priority value chains: coffee, fique, blackberry and raw cane sugar.



Promoting market-oriented production while ensuring the social, cultural and environmental sustainability of the territory

The project, together with the communities and other actors in the territory, uses an approach focused on investment and early successes to build trust, while prioritizing four value chains in the territory: coffee, blackberry, fique and cane sugar. In each of these, it seeks to promote actions and investments in all links of the chain through a broad vision, using the following strategies:

- » Responding to the demand and priorities expressed by the communities.
- » Making market demand a driver in production chains through the establishment of productive alliances. This includes identifying alternative markets with demand for high quality products.
- » Facilitating associativity and collaboration to provide support for the execution of joint investments that provide quality services to producers.
- » Promoting the efficient use of water – identified as a scarce resource – both at the farm level and in processes of value aggregation (ecological benefits).
- » Taking an agroecological and biodiversity conservation approach (compost production from coffee pulp, sewage treatment, among others).

Within this framework, ten cooperative initiatives have been developed that are working simultaneously in four areas: agricultural, associative, commercial and environmental.

Technical support areas

Technical area:

- Technical model: planning instrument that describes the technical process, the resources available to producers to implement their project, risks and environmental mitigation measures, goals and a schedule of activities. The works, equipment and tools necessary for the approved production process are described, with an agroecological, efficient water use and quality management approach.
- Farmer Field School Methodology (learn by doing) and follow-up through visits to the producers' farms.

Associative area:

- Pedagogical model: seeks to develop a non-formal educational process that uses participatory, group and individual methods, especially in Farmer Field Schools and farm visits. It is based on methods that are applied for teaching new technologies to producers

participating in productive projects, and seeks to promote technology adoption and capacity building of small producers.

- Measurement of Rural Entrepreneurship (MER): an instrument developed by FAO that identifies the strengths and weaknesses of a producer organization to develop a plan based on this measurement.
- Networking plan.

Commercial area:

- Market survey
- Business plans
- Trade agreements

Environmental area:

- Agroclimatic analysis
- Good Agricultural and Manufacturing Practices
- Agroecology, efficient water use

Main support actions

1	Strengthening and differentiation of the coffee value chain. Main productive activity of the area. 5 000 coffee producing families in the municipality, with an average of 1 ha of coffee per family, total value of the 2018 harvest reached USD 11.5 million. Mostly mild, high altitude Arabian coffee, with designation of origin. Specialty coffees. Strong alliance with the Cauca Coffee Growers Committee. Ecological benefits.	Six cooperative initiatives <ul style="list-style-type: none">» 792 families benefited, of which 452 received land investment.» 309 ha of coffee production.» One regional coffee training and agribusiness center for more than 4 900 families (investment USD 138 400, co-financed by ART-FAO (60 percent), the Mayor's Office of Caldono (26 percent), and the Cauca Federation of Coffee Growers (14 percent).» Two warehouses for 370 families (investment: USD 209 200).» Training of 20 young people and women to be coffee tasters.» Trade agreements for specialty coffees.» Strengthening of nine Coffee Growers Associations.» Creation of an umbrella organization of producer associations for the management of the Regional Agribusiness Center.
2	Strengthening of market linkages in the fique value chain. Trade agreements. Environmentally sustainable practices (organic fertilizer, wastewater treatment, etc.).	One cooperative initiative <ul style="list-style-type: none">» 132 participating families.» 126 ha of fique production.» Partnership with two packaging companies (manufacturers of coffee bags).» 132 subsidized systems for wastewater treatment.
3	Adding value to the blackberry chain: 150 families with an average of 200 to 300 plants each, and monthly production per plant of 200g to 300g (500g in optimal conditions). Modernizing the juice processing plant to expand its capacity and improve its operation. Improvement of crop management. Trade agreements.	One cooperative initiative <ul style="list-style-type: none">» 38 families received technical support.» 3 ha of blackberry production.» One modernized processing plant for 150 families (investment: USD 111 700, co-financed by ART-FAO (62 percent) and the Association of Indigenous Councils UKAWE SX NASA CXHAB (38 percent); includes land purchases).
4	Cane sugar: Support for the production and manufacture of panela. Support for the ASPROPANELA organization and families of the indigenous council of San Lorenzo.	Two cooperative initiatives <ul style="list-style-type: none">» 80 families received technical support.» 93 ha either planted (52 percent) or in production (48 percent).» Two suitable sugar mills.
5	Cross-cutting measures	<ul style="list-style-type: none">» 1 130 geo-referenced properties.» 931 farmers trained in BPA and 3 756 farm visits.

The territorial value chain strategy has boosted the local economy and generated collaboration and horizontal integration among all actors

The project's actions, through a process of conversation and negotiation between all the actors in the territory and a value chain approach that involves all the links in the chain, have generated significant and promising results in a short time period.

Main results

Coffee value chain

- » **Modernization of coffee production.**
- » **Creation of the "A Bean for Peace" organization:** made up of nine coffee producer associations (five farmer, four indigenous organizations) with a combined 4 915 members. This association is the owner and administrator of the Regional Center for Quality, Training and Agribusiness. The alliance between indigenous and farmer organizations is particularly remarkable considering their previous conflicts over land.
- » **The launch, in November 2019, of the Caldono Regional Center for Quality, Training and Agribusiness,** which provides three types of services to coffee growers in the municipality:
 - » **Laboratory analysis of coffee samples.** The purpose of the physical and sensory analysis of coffee beans is to study their physical and organoleptic characteristics through the senses. This exercise is a useful tool for the producer, since it makes it easier to identify both the bean's defects and attributes, and thus take corrective action if necessary, or identify possible target markets. The 2020 target: 2 000 samples at USD 9 per sample (50 percent paid by the producer and 50 percent by the Municipal Committee of Coffee Growers). Annual growth: 6 percent. The 2020 target for revenue from laboratory analysis is USD 18 000.
 - » **Training.** The Center has spaces equipped for the development of training activities. The modules that will be offered to students and producers, as well as to the general public are: i) Basic tasting courses; ii) Identification of coffee defects; iii) Certified course in quality assurance, in coordination with SENA; iv) Pre Q training.

These activities will be carried out in the winter months (when there is no harvest) and will begin with the members of the founding organizations. It constitutes another source of income for the Center to help support its sustainability. The 2020 target for income from training is USD 5 300.
- » **Production management and commercialization.** The management and commercialization of coffee produced on micro lots by producers in Caldono

Expected Profitability of the Center

- » Internal Rate of Return = 21 percent
- » Updated Net Income = USD 187 000 (with Internal Opportunity Rate of 5 percent)

municipal organizations during the first year, with annual projected growth of 6 percent. This is also designed to create a culture of quality in coffee growing activity in line with the current commercial trend, which is focused on providing consumers with high quality coffee. The 2020 target for revenue from commercial management is USD 60 000.

- » **Training in coffee tasting for 20 producers (young people and women).** Results:
 - » One certified pre Q-Grader taster.
 - » One certified Q-Grader taster.
 - » 20 producers trained in the coffee production process.
- » Two warehouses built and equipped to serve 332 and 38 producers in the ASPROLE and AGROPEC associations, respectively; business plan and meetings; brand design; development of business capacities.

Fique value chain

- » **Improving fibre production and transformation:** 132 producers with GAP certification, new technologies such as seed stock, soil analysis, fertilization, line and crop management; equipment for the transformation and drying of the fibre, thereby improving its quality and working conditions. Supply of machinery (eight units) for the extraction of fique with an agreement for their shared use.
- » **Water treatment system** for 68 producers, avoiding contamination of water sources.
- » **Strengthening of the ASOFIQUE organization:**
 - » Development of capacities for business management and design of a business plan.
 - » Commercial alliance with large companies such as Empaques del Cauca and Empaques de Medellín.

Blackberry value chain

- » **Modernization of the Ñxuspa fruit juice and jam processing plant** (in the Nasa language, Ñxuspa means "rich, delicious and plentiful"): increased storage capacity, electrical systems, modernization of the pasteurization and packaging line, GMP. The plant was installed in 2008 and started operations in 2014.
- » **Commercial improvement:** promotion and marketing strategy. Main clients with commercial agreements: Association of Indigenous Cooperatives of Cauca (CENCOIC), the Regional Indigenous Council of Cauca (CRIC), the Autonomous Indigenous Intercultural University (UAIIN) and the shops run by the different municipal organizations.
- » **Modernization of blackberry cultivation:** land investment (soil analysis, fertilizers, tools) and technical assistance and GAP.
- » **Organizational Strengthening:** business, commercial and agroindustrial capacity development of the Association of Indigenous Councils UKAWE SX NASA CXHAB, owner and administrator of the plant, which is comprised of six indigenous tribes.

Projected profitability of the juice plant and jams

- » Sales 2019: 40 000 USD.
- » Internal Rate of Return = 12 percent.
- » Updated Net Income = 11 000 USD (with Internal Rate of 5 percent opportunity).

Cane sugar value chain

- » **Modernization of cane sugar production** (93 ha) and land investments: new varieties and the adoption of techniques to improve productivity; the construction of 46 warehouses each measuring 22.4 m² for tool and raw materials; the construction of 43 composters to produce organic fertilizers from the by-products of panela cane sugar.
- » **Adaptation of two trapiches** (floors and ceilings) to improve product quality.
- » **Strengthening of ASPROPANELA**: business plan, design and implementation of business meetings, and participation in commercial events. Supply of machinery (motors hoes and other equipment) for shared use by all partners.

Cross-cutting measures

- » **Strengthening the social fabric in the community and social organizations:**
 - » Strengthening of four grassroots organizations and creation of an organization comprised of nine producer organizations.
 - » Creation of a Community Steering Committee to support the execution of projects developed by ART in the different territories, as well as ensuring the provision of technical assistance to the beneficiaries of the project (socialization and early warning mechanisms).

6 Impact

Annual revenue of more than USD 1 million

While it is too early for an impact assessment, the income from products sold in 2019 reached USD 1 058 000. In addition, proxy indicators of positive dynamics of return and revitalization of the territory are already observed, such as the opening of urban businesses and the increase in the number

of occupied homes. There is also greater optimism among the producers and in civil society, and a desire for progress that is not affected by defeatism.

Products sold in 2019	Total sales (USD)
Dried coffee parchment	836 724
Fique fibre	130 018
Cane sugar	75 220
Blackberry beverages	15 878
Total	1 057 840

People-centered approach to territorial development, supply chains and early successes

- » **Common strategy:** a strategic development proposal agreed with all the actors in the territory, seeking to bring the different visions of development (indigenous, rural, business) closer together and using productive identity to promote social cohesion.
- » **Early successes:** people-centered approach to the implementation of territorial development, with significant economic resources invested to respond flexibly to the priorities defined by the inhabitants of the territory. This helps to achieve early successes and build trust.
- » **Functional organizations:** strengthening existing social organizations based on specific common goals.
- » **Supply chains:** the market as a driver of the economic recovery strategy.
- » **Mature social capital:** the PDET and post-conflict process are being implemented in a territory that was neglected for decades during the conflict, which means investment is urgently needed to build on the existing social capital.



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Sustainability

Public policy, empowerment, economic results

The sustainability of the project is ensured by: i) a long-range policy (the timeframe of the Peace Agreement and the PDET is 15 years); ii) the empowerment of communities, generated by a process of strong participation; iii) the solid involvement of local governments; and iv) the rapid

productive and economic results obtained as a result of a high level of smart investment with a dual vision of market and territory.



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Replicability and scalability

Methodological support for the Institutional Strengthening for Territorial Development Strategy

The execution and results of the project have facilitated a strategic dialogue between FAO, the ART and Colombia's Public Council for Stability (Consejería de Estabilización), which has resulted in the scaling-up of the lessons learned at the sub-regional level within the framework of the PDET. In the context of the change in local authorities (January 1, 2020), and in order to strengthen the PDET process, ART

developed an Institutional Strengthening for Territorial Development Strategy, which seeks to support the implementation of planning and management processes in the territories by coordinating the new budgetary efforts between the different levels of government. FAO, through a new agreement with ART, is supporting the design of this strategy.

Eight key conclusions

- » **Take a territorial approach.** Using the territorial unit as the framework for integrating other approaches (sectoral, population, value chain, etc.) helps to generate a structural impact.
- » **Facilitate productive inclusion through:** i) productive identity to promote cohesion among the different inhabitants (individual problems, collective solutions); ii) horizontal associativity, coordinating the efforts of different producer organizations in the territory (for example, the Coffee Center); iii) sustainable linkage to markets, where the products are sold, which drives the integration of productive efforts and determine the distribution of public goods (example: Coffee center and fruit juice plant); iv) contract farming between producers and marketing firms or industries; and v) the establishment of Indigenous Territorial Entities as institutional markets based on the capacity of their authorities to guide investments and contracts.
- » **Promote social inclusion** by building trust among communities and indigenous authorities.
- » **Take an ethnic perspective.** The strategy of economic, environmental and productive development should be coordinated with ethnic issues (economic recovery and the human right to food of ethnic peoples and communities).
- » **Contribute to reconciliation.** Help indigenous and rural organizations overcome their differences and work together.
- » **Establish strategic alliances** to strengthen the technical components in the implementation of the projects and complement the investments made.
- » **Ensure community participation** in all stages of design, execution and evaluation of interventions. This ensures that the actions carried out are in accordance with the needs, interests and productive focus of the people linked to the projects.
- » **Apply a flexible intervention model** that helps the project adapt to emerging priorities and opportunities.

Social cohesion and a territorial vision

- » **Increased social cohesion** between ethnic groups that are traditionally opposed, or without effective links for collaboration, by promoting their participation in an umbrella organization based on common interests.
- » **The development of a territorial vision**, where all the actors – public sector, locals, civil society, private sector – agree on a strategy to promote growth and dynamism in the territory.

Gender

- Participation of women in producer organizations.
- Participation of women in the taster course.
- A young indigenous woman was certified as a Q-Grader taster.

Social inclusion

- Reconciliation between indigenous people and farmers.
- Ethnic perspective.
- Trust building.
- Participation of indigenous authorities in projects.

Social participation

- Individual and organization focused consultations.
- Community cooperation.
- Community steering committee.

More information:

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