USAID | COLOMBIA
FROM THE AMERICAN PEOPLE

LOCAL CAPACITY MAPPING

WALKING UP TO A NEW DAY WITH THE SMELL OF FRESHLY ROASTED COFFEE

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ACRONYMS AND ABBREVIATIONS

Civil Society Organizations	CSO
Colombian Institute of Family Welfare	ICBF
Country Development Cooperation Strategy	CDCS
Government of Colombia	GOC
Implementing Partners	IP
Local Solutions	LS
Local Solutions Working Group	LSWG
National Agency for Poverty Alleviation	ANSPE
National Planning Department	DNP
Non-Governmental Organizations	NGOs
Non-US Organization Pre-Award Survey	NUPAS
Official Development Assistance	ODA
Office of Financial Management	OFM
Organizational Capacity Assessment	OCA
Presidential International Cooperation Agency	APC
Private Sector	PS
Project Appraisal Documents	PADs
Request for Applications	RFAs
Request for Information	RFI
Request for Proposals	RFPs
Revolutionary Armed Forces of Colombia	FARC
Service Provider	SP
United States Agency for International Development	USAID
United States Government	USG

00. EXECUTIVE SUMMARY

OVERVIEW

In an effort to strengthen the Agency, in 2010 USAID initiated an ambitious reform agenda called USAID Forward. One key objective of the reform is to promote sustainable development through high-impact partnerships and local solutions. To enhance the possibilities of long-term sustainable development, the Agency decided to increase its direct investment to partner with governments, local civil society organizations (CSO) and, private sector partners that serve as engines of growth and progress for their own nations.

Colombian CSOs have evolved in the context of, and directly in response to, the protracted civil conflict that has defined Colombia's political, social and economic landscape for over 50 years. Strong, vibrant, and capable CSOs will play a critical role in the achievement of a durable, sustainable and inclusive peace, should an agreement to end the conflict be signed between the FARC and the Government of Colombia (GOC). In particular, CSOs will be needed to inform and provide technical assistance to the government, provide advocacy for marginalized populations, and hold both national and local government accountable. The newly approved USAID/Colombia Country Development Cooperation Strategy (CDCS) envisions that 2014-2019 will be the last five years of robust foreign assistance to Colombia. For this reason, the Mission desires to incorporate local capacity building into project design in an intentional and strategic way, so that sustainable local organizations will take responsibility and ownership for development in Colombia as international donor funding subsides.

USAID/Colombia has been committed over the years to building the capacity of local organizations, either directly or through a prime implementing partner, so that sustainable local organizations can continue to advance the development and quality of life of Colombian people. In pursuing this agenda, USAID/Colombia conducted a targeted mapping exercise of local organizations that are either potential implementing partners (prime or sub) or potential service providers of local capacity development. The primary goal of the exercise was to broaden USAID's awareness of the expertise and capabilities of local organizations and produce recommendations on potential partnership opportunities and capacity development needs.

Today there are more than 200,000 Non-Governmental Organizations (NGOs) registered with local Chambers of Commerce; however, less than 50,000 of registered NGOs are active. Furthermore, the number of sophisticated local CSOs that operate on a national or regional level is limited to several hundred organizations. The mapping exercise concluded that overall, the Colombian CSO sector is strong, capable, dynamic, and mature, with wide regional coverage,

and expertise in diverse substantive areas. Major areas for strengthening are increased understanding of USAID rules and procedures, and increased capacity for financial sustainability. Colombian CSOs produce highly relevant and contextually appropriate development activities and arguably create a greater development impact per dollars invested. As such, CSOs will continue to be critical partners in the successful implementation of USAID/Colombia programs.

METHODOLOGY

The mapping was conducted with strong in-house participation and included one external advisor to coordinate logistics, conduct surveys and draft reports. This report is a result of a four-phase exercise described below, conducted between June and October 2014 by the USAID/Colombia Local Solutions Working Group (LSWG).

Exercise phases:
- One - Country and Sector Context (desk review, and in person key informant interviews);
- Two - Inventory of CSOs (survey);
- Three - Capacity Development Market Analysis (survey); and
- Four- Drawing Conclusions (final report).

The general objectives of the mapping were:

1. Improve understanding of the operating and legal environment for CSOs and Private Sector (PS) organizations working in development.

2. Build USAID/Colombia's awareness and knowledge of Civil Society Organizations (CSOs) and private sector organizations, including their areas of activity, core purposes, relationships, and estimated capacities; and

3. Inform the Mission's local capacity development strategy and approach for ongoing activities, as well as inform new project design decisions regarding the incorporation of intentional capacity building into the technical approach, and/or opportunities for direct contract or grant relationships with local organizations.

KEY FINDINGS

- CSOs have a strong voice and clear vision of their organizational mandate.

- CSO leaders articulate a strong passion and commitment to their subject matter area, and a willingness to tackle complex and challenging social and development problems.

- CSOs have strong technical capacity in their subject matter area, and CSO staff tends to be highly educated.

- Several CSOs have progressed well beyond the start-up phase, and have moved from activity implementation, to policy advocacy, to the establishment of sector-based alliances, to building the capacity of new and emerging CSOs.

- The most powerful and well-connected CSOs, with the highest level of operational capacity, tend to be foundations with close connections to the private sector and readily available sources of financial leverage.

- CSOs desire to operate with a certain level of autonomy and ability to determine what is developmentally correct in the Colombian context.

- The overwhelming majority of NGOs are part of CSO alliances or networks, but there is a need to increase the number of alliances and to strengthen coordination, cooperation, information-sharing and alignment, rather than simply competing with each other over limited and dwindling international resources.

- Financial sustainability of CSOs and fundraising capabilities continues to be a concern. Donor funding remains an important source of funding but continues a steady downward trend as the economic and security situation in Colombia improves.

- There is growing domestic corporate philanthropy, implemented through private sector foundations. However, Colombia does not have an established culture of individual philanthropy.

- CSOs struggle with the shortened time frames for the implementation of donor projects and generally need more time to successfully implement projects.

- CSOs cite the need for improved space for civil society to operate, and more effective policy dialogue with the Government of Colombia; although there has been some improvement in this area in recent years, additional progress is needed for the GOC to recognize civil society as a productive, efficient and non-violent tool for citizens to express their needs to the government.

- There is a lesser presence of CSOs, in particular established and capable CSOs, in areas emerging from conflict, and almost no presence of CSOs operating in active conflict zones

- About 50 percent of the CSOs have the management capability to operate budgets of $2 million or more per year and have very strong technical capacities.

- It is very challenging for CSOs to respond to Request for Applications (RFAs) and Requests for Proposals (RFPs) in English, and to meet English-language reporting requirements.

- CSOs feel a lack of exposure to USAID programs and expressed interest in coordination and spaces to share experiences.

- CSOs desire to work directly with USAID and other international donors and take advantage of opportunities to build capacity and improve internal systems through tools such as the Non-US Organization Pre-Award Survey (NUPAS) and the Organizational Capacity Assessment (OCA).

- CSOs face challenges in learning USAID rules and procedures, especially regarding how to submit applications and proposals, financial requirements, monitoring and evaluation, and reporting requirements.

- CSOs identify areas for improvement in administrative, audit, financial and organizational capacity.

02. INTRODUCTION

This document includes a brief background of the local capacity development mapping process, highlighting its importance to advance USAID/Colombia Local Solutions (LS) goals. It includes the mapping process and methodology, consisting of four phases, including country and sector context, capacity development market analysis and key informant interviews, and a survey of CSO and Service Provider (SP) organizations. The report outlines the conclusions, supported by interview information and survey results.

USAID FORWARD and Local Solutions

Since 2010, the U.S. Agency for International Development (USAID) has undertaken a series of reforms, collectively called USAID Forward. It is an ambitious reform effort to strengthen and improve the way USAID approaches development. Each reform area falls into one of three separate, but mutually reinforcing, principles:

1. Deliver results on a meaningful scale through a strengthened USAID;
2. Promote sustainable development through high-impact partnerships; and
3. Identify and scale up innovative, breakthrough solutions to intractable development problems.

These reforms are aimed at meeting the most pressing development challenges and working more efficiently towards the Local Solutions main premise of country ownership of the development agenda.

A key element of this reform agenda is an important shift in how USAID administers its assistance—from implementing programs through international organizations to increasing emphasis on providing funding directly to local organizations (partner-country government entities and local for-profit and nonprofit organizations). Initially called Implementation and Procurement Reform and now referred to as Local Solutions, this initiative reflects international consensus and U.S. policy regarding aid effectiveness of the international development community's effort to strengthen, deepen, and modernize aid, which has been marked by the High Level Fora on Aid Effectiveness in Rome (2003), Paris (2005), Accra (2009), and Busan (2011).

Local Solutions aims to achieve the following three goals:
● Strengthen local capacity,

- Enhance and promote country ownership, and
- Increase sustainability.

The mapping exercise advances LS goals by identifying new opportunities and strategies for working with and building the capacity of local CSO and private sector partners, and identifying Colombian service providers that can build capacity.

PURPOSE

The newly approved CDCS envisions that the period 2014-2018 will be the last five years of robust United States Government (USG) foreign assistance to Colombia. As such, it desires to incorporate local capacity building into project design in an intentional and strategic way, so that sustainable local organizations take more responsibility and ownership for development in Colombia as international donor funding subsides.

The purpose of the local capacity development mapping exercise is to increase direct engagement with potential local partners, and systematically gather information about the current operating environment, strengths and challenges of local organizations, and the relationships between them. The mapping enables USAID/Colombia to better identify the universe of organizations; provide a broad view of the local system, including the environment in which these organizations operate; and offers rough estimates of the extent and capacity of CSOs and the private sector.

The mapping will inform ongoing program design to implement activities under the Mission's four approved Project Appraisal Documents (PADs), each corresponding to one of the Mission's four development objectives. In particular the mapping sought to identify CSOs that are capable of managing larger tranches of funding and manage sub-grants, in order to mitigate the management burden of numerous small awards. The mapping process itself provided an important opportunity to develop and strengthen relationships between USAID/Colombia and potential partners.

In order to build peace and governance in historically conflictive zones with limited or no government presence, the state's credibility will depend not just on the resources it employs, but on the extent to which it is willing to listen to, and share responsibility with, civil society organizations. Therefore, it is expected that CSOs will play a critical role in the achievement of a durable, sustainable and inclusive peace, should a peace agreement be signed between the

Revolutionary Armed Forces of Colombia (FARC) and the GOC. CSOs will be needed to inform and provide technical assistance to the government, provide advocacy for marginalized populations, and hold both national and local government accountable.

USAID/Colombia's targeted mapping exercise of local organizations includes potential implementing partners (prime or sub) and potential service providers of local capacity development. The exercise outcomes are: a) a picture on the expertise and capabilities of large local civil society organizations, and b) recommendations on how to enhance the Mission's direct relationships with large CSOs, either through partnership opportunities or coordination efforts. It should be noted that the mapping exercise was not intended for an in-depth analysis of organizations' technical capacities.

03. MAPPING APPROACH AND METHODOLOGY

To further operationalize LS in USAID/Colombia programs, the Mission conducted a mapping exercise focused specifically on organizations already working to advance the Mission's four Development Objectives: Effective Presence of Democratic Institutions and Processes; Reconciliation Advanced Among Victims, Ex-Combatants and Other Citizens; Improved Conditions for Inclusive, Rural Economic Growth; and Environmental Resiliency and Low-Emissions Development Strengthened. The mapping exercise delivered valuable data to inform strategic decision making regarding local capacity building and provided baseline information that will allow the Mission to drill deeper into various technical sectors or geographic areas in the future as necessary.

The mapping was conducted by the LS working group members, which includes representatives from technical teams, support offices, and an external consultant to coordinate logistics, surveys, and reports. The mapping team analyzed the capacity of CSOs; developed new relationships with key individuals in local organizations; and interacted with the social development sector in an inclusive, participatory manner.

Phase One helped the mapping team better understand the national, local, and sector contexts in which civil society and private sector organizations operate, and better understand how the context may enable or constrain their performance. As part of this phase, the Team conducted a desk study of all available documentation, including mapping already done by the Mission, and other assessments conducted by bilateral and multilateral donors, detailed in Annex 1. The mapping team conducted key informant interviews with technical experts (including USAID

staff), donors, private sector foundations, and government partners, to gather additional context on the local system.

The Team met with representatives of 27 different entities.
- Seven Colombian NGO associations.
- Nine civil society organizations working in topics related to: environment, rural development (with a focus on financial services and agriculture), democracy and human rights, and vulnerable populations.
- Two government institutions, the National Planning Department (DNP) and the Presidential International Cooperation Agency (APC).
- Three bilateral donors, Spain, Sweden, Canada.
- Three multilateral organizations, the International Development Bank, the World Bank, and the European Union.
- The Bogotá Chamber of Commerce.
- Representatives from USAID and the US Embassy.

The discussions focused on strengths and weaknesses in the CS sector and on obtaining details on the organizations' management systems. The team also drew on lessons learned from the Mission's prior and current experience working directly with local organizations, as well as from a Request for Information (RFI) conducted in 2012[1].

Sub-groups of three or four members of the mapping team conducted individual meetings with each organization. All organizations visited are based in Bogota. The discussions lasted for about 60 to 90 minutes and covered the following topics:

- Operational context for NGOs
- NGO legal status
- Technical areas of expertise
- Geographic coverage
- Networking
- Administrative and financial capacity sustainability
- Operational barriers

Phase Two gathered information on the location, size, staffing, and activities of specific CSOs and businesses. The Mission used information from the 2012 RFI, CSOs identified through the

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[1] RFI info In July 2012, the Mission issued a request for information (RFI) to 86 organizations.

key informant interviews, and information regarding the sub-awardees under ongoing USAID programs, to identify a limited pool of 200 organizations to survey. The initial survey collected information from organizations on technical areas of expertise, functional areas of expertise, geographic reach, management capacity, budget, and grant management experience. The first CSO survey sample size was 194 organizations, with 103 responses received. Of the NGOs who responded, the 60 strongest NGOs[2] were invited to participate in a second survey; 41 responses were received. The purpose of the second survey was to drill down on management, financial and organizational capacities and was based on the NUPAS. The questions included were related to organization size (human resources available), management and planning processes, financial management and internal control systems, acquisition processes, project management and monitoring, and project implementation experience.

Phase Three focused on the subset of organizations identified in the Phase Two survey that provide capacity development or business services to others. The survey questions provided market analysis information on capacity, resources, perspectives, constraints and market supply and demand for capacity building service provision. The results provided information about the capacity, reach and relationships to CSOs of organizations providing services in areas such as consulting, accounting auditing, training, strategic planning, communications, evaluation, and research. Sixty organizations were invited to take the service provider survey, with 27 organizations providing responses.

The Team compiled and conducted an initial analysis of survey results during the LSWG meetings. Responses were analyzed with the following purposes in mind: (1) to understand the expertise, capacities and interests of respondents with regard to USAID/Colombia programs, (2) to identify and define potential opportunities for USAID/Colombia to work directly with some of the respondents in the future, (3) to determine secondary data collection needs, including potential communications and/or meetings with select respondents, and (4) to compile and disseminate the findings and recommendations on all of the above.

In Phase Four, the LSWG analyzed the results and drew conclusions and recommendations on communicating strategy development, improving project design, and efficiently identifying steps to address local capacity development (LCD) beyond the procurement process.

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[2] The selection criteria included budget levels, size of the organization in terms of personnel, and capacity to manage grants.

04. BACKGROUND

Unlike many countries where USAID operates, Colombia has significant national resources at its disposal, as donor resources account for less than .5% of Colombia's annual budget. In addition, Colombia has a highly educated and capable workforce. Against the backdrop of significant Colombian resources and talent, the Mission has laid significant groundwork in exploring the most effective means of advancing LS goals. Through USAID implementing partners (IPs), intensive institutional strengthening support is being provided to GOC institutions that are critical to the country's transition out of conflict, including the Victims Unit, Land Restitution Unit, Ministry of Agriculture, Center for Historical Memory, and municipal administrations in conflict zones, among others. In total, over half of USAID/Colombia's current resources go towards strengthening the capacity of these Colombian Government institutions.

USAID/Colombia currently has eight direct awards with local organizations. In addition, during the past three years over 800 local organizations were sub-recipients under different awards and contracts, with most benefiting from capacity strengthening activities supported by prime IPs.

As documented in several USAID Forward progress reports, the LS initiative has resulted in an important growth in the implementation of activities using local systems. The decision to establish and implement a strategic approach to local capacity building is also based upon the recently approved USAID/Colombia CDCS and PADS for each Development Objective under the CDCS. Thus, a broad-brush mapping is useful to design new activities that advance and further integrate local capacity development into existing projects.

CIVIL SOCIETY ORGANIZATIONS IN COLOMBIA

Civil society organizations in Colombia have played a vital role in public policy, development and peace-building throughout the country's history. The "third sector" has evolved from a limited group of small, primarily religious organizations delivering a narrow range of services, to thousands of organizations providing nearly a third of the education, healthcare, development and housing in the country and contributing 2% of the country's GDP[3]. Civil society organizations have been actively involved in major legal and policy debates, in promoting economic and social development, and in advocating on behalf of the rights of vulnerable populations throughout the country.

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[3] Villar, Rodrigo. El Tercer Sector en Colombia: evolución, dimensión y tendencias (The Third Sector in Colombia: Evolution, Dimension and Trends). Bogotá: Confederación Colombiana de Organizaciones No Gubernamentales (Colombian Confederation of Nongovernmental Organizations), 2001

Especially over the last two decades, some of these organizations have reached an unprecedented level of capacity, expertise and professionalism in providing services, often in partnership with local and national government, private sector, international donors, and community groups. The same period has also witnessed the growth of private foundations, many created by the corporate social responsibility initiatives of national and multinational corporations, which have increased the level of resources available and the demand for accountability and results.

Civil society organizations have grown in the context of a relatively favorable legal and policy environment and active government support, especially over the last two decades. The 1991 Constitution protects freedom of assembly, and actively promotes civil society organizations by requiring the state to "contribute to the organization, promotion, and guidance of professional, civic, trade union, community, youth and charitable or non-governmental public-purpose associations, without prejudicing their authority so that they may constitute democratic means of representation in the various functions of participation, agreement, control, and supervision of the public activities that they undertake."[4] Non-profit organizations are legally recognized as foundations, associations or corporations, depending on whether they are constituted primarily based on membership or economic resources. They are required to register with local chambers of commerce, which maintain a registry of all non-profit organizations. Organizations with a clearly defined social purpose are also provided broad tax exemptions. The Colombian government actively finances and partners with non-profit organizations in a variety of social programs and services.

Unfortunately, some these rules have over-complicated the legal framework. For example, these laws and regulations frequently refer to nongovernmental organizations (NGOs), without providing a legal definition for NGOs. As a result, the laws regarding nonprofit entities are vague and often contradictory. Regardless of the variety of types of non-profit legal entities existing in the Colombian legal system, private law only recognizes two forms, the nonprofit corporation/association and public charitable foundations.

Although organizations are easy to establish, lack of familiarity with changing and sometimes complex tax regulations prevents many smaller organizations from taking full advantage of the tax benefits available to them. At the same time, the regulations governing non-profit organizations are inconsistently enforced, allowing considerable space for abuse. According to one estimate, close to 50% of the entities registered in Bogota are no longer in operation but have

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[4] Constitution of Colombia, 1991, Title IV, Chapter 1.

not been officially dissolved.[5] Numerous non-profits are reportedly set up for tax evasion by for-profit companies without specifically defined social purposes or operations.

The widespread perception that a large number of non-profits are either non-functional or set up primarily for tax evasion has undermined public confidence in the legitimacy of their social aims or the effectiveness of their programs overall. In response to the laxity of government enforcement, a number of organizations and associations have promoted voluntary transparency and self-regulation initiatives, and sought to raise the standard of monitoring and evaluation. Several organizations have also advocated for clearer regulation and more consistent enforcement to instill greater accountability and to restore confidence in civil society organizations among the public and potential funders.

In Law 22 of 1987, the legislature authorized the 32 governors of the country and its equivalent, the Mayor of Bogota, Capital District, to inspect and supervise CSOs. CSOs must submit to the authorities a general balance sheet upon conclusion of the fiscal year and activity reports on a yearly basis. The sector has grown significantly over the last three decades and CSOs have organized themselves into different alliances and networks that allow them to better advocate for policy change to government institutions. In the 1990s, there were more than 70,000 registered NGOs in Colombia. However, today there are more than 200,000 NGOs, with less than 50,000 of them operational. Speculation exists that the increase can be attributed to a desire to use NGO status as a facade to obtain tax exemptions and other benefits.

Civil society organizations also face challenges in achieving financial and organizational sustainability. On the one hand, active government and private sector support has created a relatively favorable funding environment for non-profit organizations. The growth in the number of corporate and family foundations, which has tripled over the last two decades, has generated new opportunities for local non-profits to secure funding and human resources.[6] A large proportion of organizations in Colombia also engage in self-financing activities, such as charging fees for products and services or collecting dues from members.[7] At the same time, the growth of funding opportunities has also generated competition among organizations, along with demands by donors for greater transparency and accounting for results. In addition, although

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[5] Gutierrez, Roberto, Natalia Franco and Luis Felipe Avella, *Self-Financing Activities Among Civil Society Organizations in Colombia: A National Assessment,"* Non-Profit Enterprise and Self-Sustainability Team (NESsT), Santiago, Chile, 2007.

[6] "Fundaciones Empresariales en Colombia: Un mundo diverso y dynamico" available at http://www.gestrategica.org//templates/noticias_detalle.php?id=714

[7] According to a 2001 study, up to 70% of funding for non-profit activities is generated from self-financing. See Villar, Rodrigo 2001.

some organizations have developed considerable capacity to raise and manage funds, many others lack sustainable sources of financing.

Many organizations, especially those that function at the community level, also lack core organizational capacities necessary to manage finances transparently, to plan and implement their programs, or to measure the results of their activities. Significant disparities in organizational and financial capacity exist among regions and populations. Certain regions, such as Bogota and Antioquia, have developed an active and organized foundation sector that has attracted significant corporate funding and spurred partnerships with local government and coordination among non-profits. Other more remote, less-developed or conflict-affected regions, along with the most vulnerable populations including indigenous and Afro-Colombian communities, have much less access to the financial or organizational resources necessary to build effective and sustainable organizations.

Despite these challenges, significant opportunities have emerged for strengthening the capacity of Colombian civil society organizations to achieve effective development results. Although the size, capacity and transparency of non-profit organizations vary in every sector, a number of resources exist for enhancing civil society capacity. Several organizations, associations and for-profit firms have developed expertise in organizational development aimed specifically at non-profit organizations. Some organizations have developed detailed methodologies that start with comprehensive organizational assessments and work through training and mentoring programs informed by international best practice. These organizations have also developed a variety of modalities for organizational strengthening support, ranging from the provision of services to larger and/or better funded organizations in exchange for fees, to the selection of organizations in targeted sectors for training and mentoring programs.

Several associations have also sought to enhance the environment for civil society development through the development of networks and associations, by promoting self-regulation and voluntary transparency initiatives, and in working to stimulate demand among private sector foundations and the Government of Colombia agencies for improved accountability. A number of universities and research centers have developed capacity for analyzing and developing relevant policy and legislation, and for conducting program evaluations.

In certain regions, foundations, community-based organizations, government and private sector have developed effective partnerships aimed at addressing local development challenges in a sustainable manner. All of these developments and emerging capacities provide unprecedented opportunities for expanding civil society activities and enhancing their sustainability.

Nonetheless, significant disparities remain among regions, populations and organizations in their access to these opportunities and their capacity to achieve effective development partnerships and results.

CSO OPERATING ENVIRONMENT

In an attempt to maintain NGO independence from the influence of the public sector, the Colombian government does not maintain a registry or record of NGOs. The GOC outsourced NGO registration to the regional chapters of the Chamber of Commerce. All organizations surveyed are registered with regional chapters of the Chamber of Commerce. Although the Chamber of Commerce and its regional chapters are private, non-profit organizations, they are highly regulated by the GOC because of the registration function that they perform. The annual cost to maintain NGO registration currently ranges from $120 to $400 per year, depending on the organization's assets and income. This payment is costly for most of the small organizations that rely almost exclusively on donor funding to operate.

NGOs are required to keep a current registration in order to receive contracts from governmental institutions, based on the assumption that valid registration represents a certain level of financial and technical capacity. Decree No. 019, issued in 2012, establishes that operation licenses must be renewed on an annual basis and creates a control function over NGOs for the Office of the Superintendent of Economy and Solidarity. This decree is not being fully implemented.

The regional chapters of the Chamber of Commerce provide services for both private companies and NGOs, without any differentiation, even though the latter are weaker and need more support. NGOs regularly request training from the Chamber of Commerce to build their capacity in areas such as project design, fundraising strategies, logical framework methodology, management, accounting, and procurement. The Presidential Agency for the International Cooperation (APC) provides a limited amount of capacity building for CSOs and monitors the funding that NGOs receive from international donors and from other national and international entities. However, neither the Chamber of Commerce nor APC has sufficient budget or mandate for such activities and cannot fully meet the demand for capacity building.

Other Government entities that work closely with CSOs are: the Ministry of Interior, the Ministry of Agriculture, the Ministry of Environment, the Ministry of Justice, the Victims and the Consolidation Units, the Colombian Institute of Family Welfare (ICBF), regional governments, and municipal governments.

05. CONCLUSIONS

Overall, the information collected demonstrates that the most prominent CSOs in Colombia are strong, vibrant, capable, dynamic, mature, and with expertise in diverse technical areas. For example, several organizations have large footprints -- 39 out of the 103 CSOs (universe of the first CSO survey) have 25 or more permanent employees.

The representatives interviewed had a strong voice and clear vision of their organization's mandate. These are highly committed leaders to their sector and to development; they articulate a strong passion and commitment to their subject matter area, and a willingness to tackle complex and challenging social and development problems. The sector is well-organized and several CSOs have progressed well beyond the start-up phase and have moved from activity implementation, to policy advocacy, to the establishment of sector-based alliances, to building the capacity in their subject matter area of new emerging CSOs.

Colombia has a very active group of networks and associations that support capacity building and play an important role in sharing knowledge and best practices. The overwhelming majority of NGOs are part of CSO alliances or networks, 86% of CSOs surveyed are associated to one or more networks. However, there is still a need to increase the number of alliances and to strengthen coordination, cooperation, information-sharing and alignment. Some of the most important networks are: the America Network, CCONG - Colombian Corporation for NGOs (with over 600 affiliates), AFE - Association of Corporate Foundations (with 59 affiliates), the Association of Oil Foundations (AFP), Alianza (human rights CSO network), Fundación DIS (Development, Innovation and Sustainability), Compartamos con Colombia, and Red E Américas.

When analyzing the relationship of CSOs with the private sector companies, we found that in the early 1960s, as part of a philanthropic vision, companies opened an important number of foundations. Today, most of these private sector foundation CSOs are sustainable, but keep strong ties with their parent company. Their financial sustainability is strongly linked with donations from their parent company or with income generated through the sale of services or from stock owned in their parent company.

While it is relatively easy to establish and register a new CSO, financial long-term sustainability is an ongoing concern. The sector developed slowly in Colombia. Until the late 1990s, Official Development Assistance (ODA) levels were below $3 per capita, almost ten times smaller than the ODA received by countries like Peru and Ecuador. This situation has changed dramatically

since 2003, with ODA levels reaching $22 per capita. Today, donor resources continue to be an important source of funding for many Colombian CSOs, more so for the small and micro CSOs established outside the main large cities.

Of the CSOs that participated in the mapping exercise, only 4 percent of the organizations that managed over $1 million in 2013 had more than half of their budget coming from international cooperation, and 28 percent received more than $2,000,000 in donations during 2013. For 20 percent of the CSOs, the primary funding source was income generated from a trust fund established by their parent company or funds transferred by the parent company. Another 25 percent are primarily funded by the sale of services. The chart below shows some management capabilities of the CSOs that participated of the mapping.
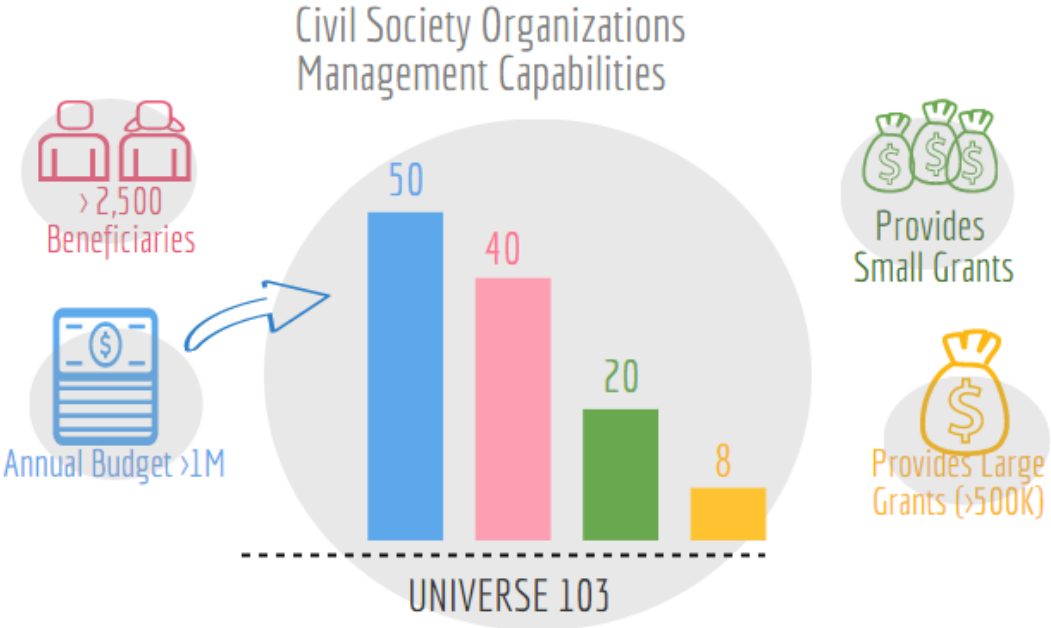
In terms of the CSO's perception of working with international donor agencies, most CSOs struggle with the shortened time frames for the implementation of donor projects and are conscious that donors will not be around forever. One concern is that, at times, CSOs view other CSOs as competition for a limited pool of funding, rather than allies to advance shared development objectives.

These large CSOs often step in to provide services in areas where the GOC is financially or logistically constrained. For example, the projects developed by the AFE Foundations are

directed towards more than 15 areas, ranging from education, which represents the greatest number of interventions, to institutional strengthening and development, community development, productive development and generation of income, social coexistence, health, social protection, nutrition, science and technology, and culture, recreation and sports, among others.

When analyzing local philanthropic efforts we noticed that there are not clear mechanisms to link a Colombia's growing corporate philanthropy to CSOs. Also, while some families have established charitable foundations, individual philanthropy by average Colombians is essentially non-existent, particularly among the middle and upper middle classes.

CSOs greatly value autonomy and independence and struggle with having to adapt their objectives to the requirements of available funding streams from international donors and the GOC. However, during the interviews, it was mentioned that several CSOs have become GOC implementing partners, which they felt might limit their capacity to act as watchdogs and advocate for policy change.

In terms of relationships with the GOC, most CSOs report that the relationship between them and the GOC has greatly improved. Nonetheless, CSOs cite the need for expanded space for operation, a more effective policy dialogue with the GOC, and the need for recognition of civil society as a productive, efficient and non-violent tool for citizens to express needs to the government.

When discussing the post conflict, CSOs reported that they have little participation in the peace negotiations, but yet see themselves playing a key role in the implementation of any peace agreement to promote social cohesion in communities. For the post conflict period, regions will need a strong civil society that will help build peace and promote social cohesion in communities, and provide critical feedback to government entities. The chart in the next page includes a relation of the CSOs and the sectors in which they perform activities.

Several CSOs were formed as a consequence of the conflict, where communities were fragmented and threatened. Government absence motivated the citizens to create a protection strategy, by organizing themselves into small CSOs, initially working to protect human rights and promote peace and development. However, there is no strong presence of CSOs, in particular capable CSOs, in areas emerging from conflict, and almost no presence of CSOs operating in active conflict zones.

CSOs value the capacity building opportunities and feeling of being respected and heard that is afforded by a direct funding relationship with donors. Despite the relative strengths of CSOs, only USAID and the European Union currently provide direct awards to local organizations. For the majority of funding, international donors generally use a prime implementing partner from their home country to manage sub-grants to local organizations. The driving concerns behind the decision not to work directly with local organizations continue to be management burden, as well as a perceived lack of capacity of local organizations to manage large tranches of funding. CSOs desire to work directly with USAID and other international donors and take advantage of opportunities to build capacity and improve internal systems through tools such as the NUPAS and the OCA. However, they also struggle to adapt to stringent USAID requirements that place an additional burden on activity implementation, particularly during the first year. Additionally, it is very challenging for CSOs to respond to RFA and RFPs in English, and to meet English-language reporting requirements.


CSOs by Sector

UNIVERSE 103
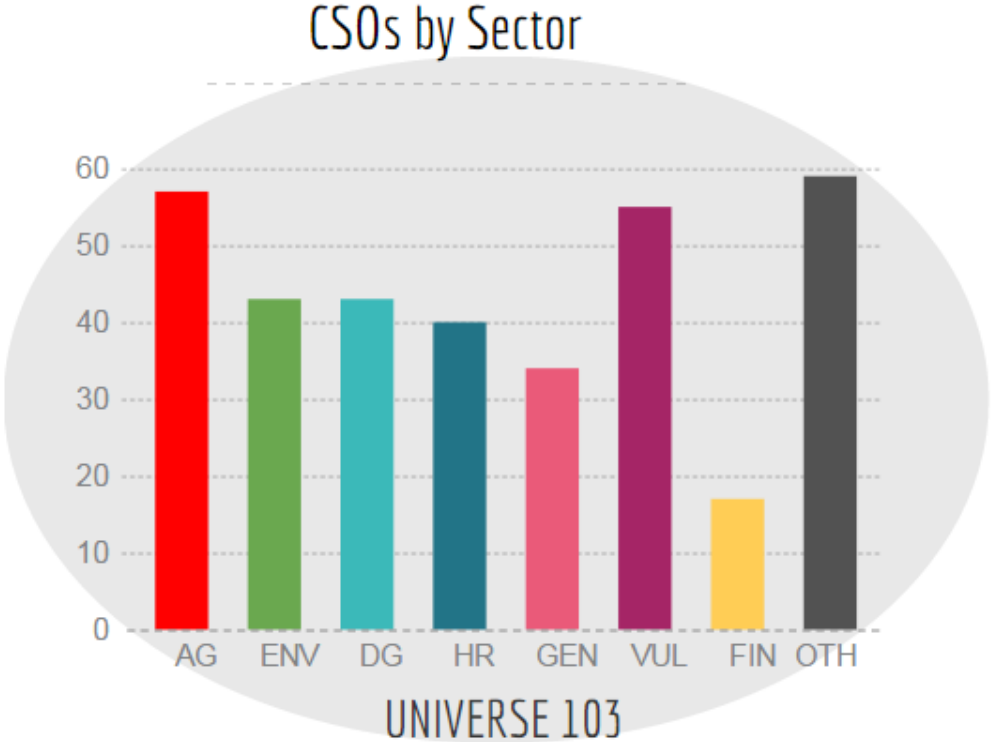
The strongest CSOs implement activities in urban areas, rather than within the strategic "peace geography" that many USAID programs target. Other challenges include: low diversification of

funding, lack of fundraising capabilities, limited ability to submit proposals and applications, and to produce reports in English.

The second component of the mapping exercise was a rapid analysis of local service provider organizations that would allow building USAID/Colombia's awareness and knowledge of their areas of expertise, core purposes, relationships, and estimated management and operational capacities. Almost 50 organizations that provide services in accounting, audit, training, strategic planning, outreach and communication, research, project design, and IT services were invited to participate in a survey, with 27 responses received. A summary of the type of services provided is included in the chart on the top of the next page.

SERVICE PROVIDERS AREAS OF EXPERTISE
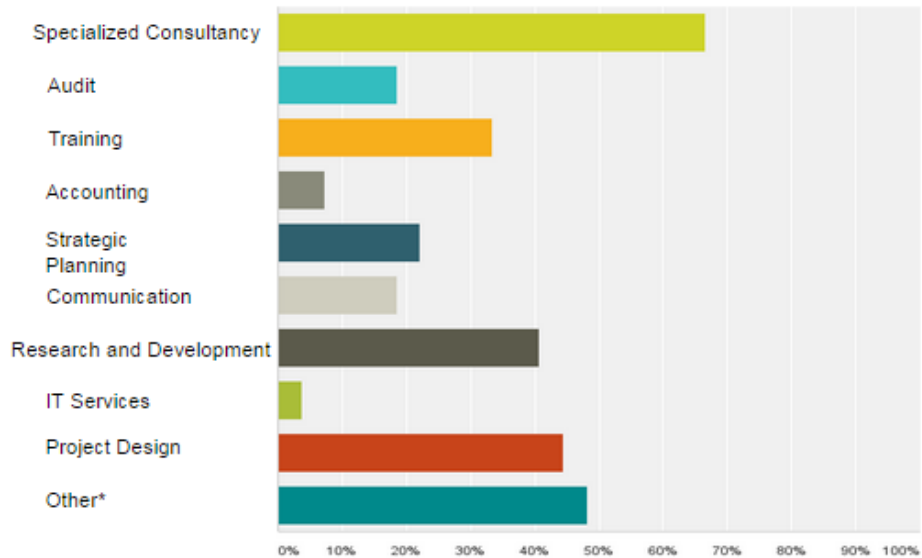
*Monitoring and Evaluation, Educational Projects, Communication Strategy

The surveys included several questions to learn more about these service providers' areas of expertise, clientele and size; a summary of the statistics is included under Attachment 9 to the report. Some highlights include: of the 27 organizations surveyed, 20 of them are small with annual budgets of $1 million or less. Also, for 20 of the 27, the main source of income was sale of services, while the primary income source for the rest was donations or investments. Their main clients are private sector companies, foundations, and international donors or implementing partners, with only two reporting the central government as their main client. In no event is a regional and local government reported as the main client.

About 50% of these organizations have ten or less permanent employees and use consultants as required. 40% of the SPs have up to 50 permanent employees and two organizations have more than 50 permanent employees. This is a significant number of permanent employees for organizations that provide services on an as needed basis to clients.