



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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DEVLIN: Today is October 17. We are here with Henry Samacá (Henry Samacá Prieto), in Bogotá, Colombia. He is the coordinator for economic development for the Plan de Consolidación Integral de la Macarena (PCIM). Thank you very much for being here with us.

SAMACA: *Thank you very much for the opportunity to explain in a very concrete and simple way the economic development plan that we are implementing in the six municipalities that form part of the Plan de Consolidación de la Macarena.*

The plan for economic development is based on some basic principles. The first principle is that we are working in a zone, in one of the zones that we recognize as having lost its road to economic development due to the problems associated with coca, and also because of the lack of security and because of armed, illegal groups that came to this zone as a consequence of coca farming.

This circumstance caused these regions to interrupt or to abandon the road to economic development proper to any region of any country that is widening its agricultural frontiers or that begins to develop frontiers that are, so to speak, marginal, and that begin to be integrated to national economies. It is that which we here call "processes of colonization". The processes of colonization, as a general rule, are characterized by families and producers occupying lands, which they clear, taking down natural forest often or almost always. They prepare this land to be used economically. To what end? Fundamentally, to produce grass for their livestock, to feed livestock on those grounds and to make products that are first and foremost consumer products, for themselves and for the area where they live, right? That is to say, these are products that enter into the consumer dynamics of those regional economies, for example, rice, or corn. In Colombia, sugar cane is very important for a product we call "panela", not for the production of sugar but for the production of "panela", right?, or other by-products that are used to feed livestock. This is to say that sugar cane is a very important source of energy in these zones of colonization, yes? Many people say that "panela" is fuel for humans, the fuel that humans need in order to be able to colonize. Yes, the fuel they need to colonize these areas, right? There are other products that come out of these tropical areas, such as, for instance... I already mentioned "panela", but we can also mention cacao, right? Cacao. We could even mention coffee, in higher-elevation areas, yes? Yucca and other kinds of tubers, root vegetables like yucca and plantain, right? That plus domesticated farm animals, like pigs or chickens. That, then, is the basic diet of the colonizers.

When coca comes about, these economies begin to crumble for two reasons: first, because of a simple problem of relativity. It is much more profitable to specialize in the production of coca and to abandon the production of sustenance crops, right? And the other reason derives from events beyond economics, which are the violence directed at producers, at the farmers, so that they specialize in the production of coca, yes? In truth, what the guerillas did in Colombia or what the illegal, armed groups did, in general, is to destroy developing farming economies. Besides that, another aspect, let's say, that we can see in these regions is that as they are integrated to the rest of the country, by paved roads, for example, or by networks of side roads, even if these roads are hard to reach; as these regions become integrated to other regional economies and to national economies, they also become targets for capitals and cities. One then sees wealthy people buying land, buying land in these regions, and one also begins to see investors of new products or of agro-industrial products, who begin to develop links to these areas and to products like the oil palm that you had the chance to see. There is a large quantity of oil palm grown in these regions. Well, then, had coca not existed in Colombia, we could have

witnessed these regions repeating what other regions in Colombia experimented at the end of the 19th century and the beginning of the 20th century, right?, local growth, the growth of these local economies and social development. And local specialization, yes?, based on the natural conditions of the land, the tropical conditions of the land that you had the chance to see, which are lands situated at the foothills of the mountain range, which have a very good water supply, very good humidity conditions, and also lands that are more towards the eastern region, which are drier, less fertile, but that are still being integrated to those circuits of development. Coca bursts in, marihuana bursts in, illicit crops bursts into these zones with the help of illegal, armed agents, yes?, and we can say that this road to development is entirely diverted. The road to development is lost completely, and thus the economic development objective of the Plan de Consolidación is to put these regions on the right track, the track they had been on.

For this reason, we do not speak of economic development in strict terms. We are not talking about a development plan. It is a plan to regain a lost way, so that when the road to economic development is once again taken, we can say that the Plan de Consolidación has met its objective and that the region is following its road to regional development, building up all its links to the rest of the country, to other regions, as it happens or as it has historically happened in our country and as it happens in any other nation that is developing. As we can see, we are faced with an entirely concrete subject of giving solutions to some local problems, right?, of helping a locality regain its way to development. Only when we achieve that can we be, let's say, or can we consider the work of the economic development, of the area of economic development of the Plan de Consolidación de la Macarena, to be done. And this is so because the Plan de Consolidación is by description and by definition a transitory plan. It is transitory. It is transitory.

All right. So, the plan for economic development rests... It's like a tripod, it's like a table with three legs. Exactly. The first leg is constituted when a community is directly affected by the eradication of coca crops, in situations where coca represents ninety percent or more of the region's economy. Even more. At that time, it is necessary to attack the problem immediately, right?, because families will be immediately affected, they will immediately feel their dietary needs affected. Yes, exactly. And the farms that used to produce coca now have nothing. They stand desolated. So, in regards to that first leg, that first table leg, the Plan de Consolidación has the transition plan. You already had the chance to speak with Carlos Ávila, the director of the transition plan. The transition plan, as he told you, has two objectives: to solve the food problems of those families by providing nutritional support in kind, and also to reconstruct the productive food activity of the farm. Exactly. It is to reconstruct in the farm the capacity to provide food for the family and for the region. That is why the transition plan provides seeds, seeds for fast-growing crops. Exactly. These can be, for instance, corn, rice, vegetables, right? We also provide small farm animals like chickens, so that in two or three months these families have a source of food.

Obviously, if there are farms or communities that are ahead in this regard, the plan helps to build new production lines that are adapted to the region. Even if these lines are not profitable in the short term, by establishing them we guarantee that, in three years, these farms or communities will have a source of income. Such is the case with cacao. This plan also supports sugar cane crops for the production of "panela", for supplying... This is, of course, the energy source in these communities. Yes, "panela" is indispensable. The plan also provides seeds for pasture, to feed livestock, if there are any, if there is any

livestock. So, then, as you can see, the first leg of the table is about immediate action, right?, to recover, to protect families in terms of nourishment and to recover, to contribute towards the recovery of the productive capacity of the farm. This is the first program.

The second leg of economic development is the Programa Progreso (Plan Progreso). You already had a chance to know more about it, right?

DEVLIN: Yes, but we would love to hear more about Progreso.

SAMACA: *Did you interview the national director of Progreso? No? Well, I advise you to do so. It is indispensable that you know how well the Programa Progreso works, because Programa Progreso... The first program that I talked to you about, the transition program, has as its sources... its financial source is international aid, right? Progreso also has international aid as its source of finance, although it also seeks funds from the municipal localities, from the... right? And it also asks for more efforts on the part of families. At this moment, Programa Progreso is directed towards the recovery of eight lines of production, yes, lines of production that are endemic to the region. They are... they reveal the natural advantages of the region. Yes. That is to say, they are the ones that, as we mentioned during our introduction, would be very likely developed had coca not burst in. Those lines are coffee, in high-elevation areas, cacao, rubber trees, sugar cane, yucca, bananas, milk, yes?, the production of honey. And these are the lines upon which the Plan intends to ground development, yes? But they are not exclusive. For example, there are regions that have certain natural capacities and great natural advantages for the production of certain fruits, fruits endemic to the tropics, like, for instance, guava, every kind of citrus, and maracuyá. These are also supported. The objective of Plan Progreso is to support lines of production according to profitability criteria. The lines have to be profitable.*

The second requirement is that these lines that receive support are grouped together, or that the producers associated with them be associated or grouped together, yes. Individual producers are not supported; rather, groups of producers are supported. So, then, associability is encouraged in these regions according to lines of production. According to lines of production. How does Progreso give support? It's very simple. Producers provide their labor, they put in their labor; they provide their land and prepare it. When it's ready, the program provides whatever else is needed, that is, capital, in the form of seeds, fertilizers, products to enhance the fertility of the soil, to correct its acidity, products... herbicides, insecticides, tools, construction materials. That is to say, it provides everything that we colloquially refer to as capital. That is to say, it is an agreement in which the three production factors begin producing goods that... the lines of production that we've already mentioned. The importance of this Plan is that the resources, the resources do not have to be returned by the community. They don't have to pay them back, rather, the community returns it to its own group, to a communal fund that works as a... that will be its working capital as it continues to expand production or as it focuses on other products, or as it tends to other families. These are, then, funds that are not to be returned to Progreso, but that must be returned to the association, to their own association. So, then, the objective of Progreso is twofold in that case, because Progreso works to strengthen, to strengthen local economies, but it is also working towards strengthening the social capital of these areas through these organizations that administer the donated resources, as working capital. That is the second leg of the table.

And the third leg of the table is that which we call the institutional junction, junction or articulation. Better said, it is the coordination of local developing economies with the public policy programs of agricultural support, for example, with what amounts to credits and loans, and also with all the lines of support provided by the government, by the Ministry of Agriculture to Colombian agriculture. That's the third program, and what the third program seeks is that associations, once they begin to have a certain, or to have a sort of development, and once they have a certain degree of development, of organizational development, that is to say... right? We then deem them to be mature enough to go to banks and ask for the funds they need to continue strengthening the local economies. As you all know, the government's agricultural policy... The subsidies come through credit systems. Yes. Almost all the subsidies come through the credit system. For instance, if an association wants to buy a tractor, the government donates it. If the association is one of small producers, forty percent of the value of the tractor, but only if that purchase has been made with resources requested through the agricultural credit system, through the agricultural credit system funded by FINAGRO (Fondo para el Financiamiento del Sector Agropecuario). If they want to expand a crop or if they want to develop a new crop, as small producers they can have access to credit lines at very low interest rates, currently at four or five percent per year, which are very, very affordable rates. So, then, in order for the associations of the region to reach that system that we call the system of coordination, there is a need for a preparation and a number of considerations supported by the other two legs of the table, which allow the third leg to do its job. We hope that when the Plan de Consolidación is no longer necessary, that, well, that the economic activity of the area works like the economic activity of other areas in the country, where the need for capital no longer comes from cooperative sources or international aid, but rather where the sources of capital come from resources from within the country, from national resources, supported by agricultural policies. So, then, that is that, in short, even though it took us a bit to talk about it. That is the concept we trade in, in terms of economic development. There are other concepts that we take into account, concepts that follow from our understanding that we, that the Plan de Consolidación will regain the road to development. And that is linked, let's say, to our working hard on production lines that are widely known, where the country has enough or has advanced significantly in terms of research. For that reason, we are not talking about odd products here, no. These are products, products that are... They are not abnormal. They are the normal products of agricultural economies. We are not coming up with a new product line that is said to be very profitable and going around saying that it is the solution and that it will take the region out of a problem. We do not believe any such thing exists. That kind of thing really does not exist. Now, there are products that make their way into the region, but that come into the region without any kind of especial support from the Plan. Why? Because these are products that have a powerful institutional development in Colombia, such is the case with, for example, commercial rice or the oil palm. We detected, more or less, about 42.000 agricultural hectares there, in the six municipalities. The year before, there were 32.000, and the one before that there were 20. That is to say, it's been growing. It has grown by about 10.000 agricultural hectares.

The principal product of those 42.000 hectares is the oil palm, which accounts for about 15.000 or 16.000. The second one is rice, because rice had a kind of boom, a boom. And after that there are other products like corn or plantation products like cacao, etc. And that is what... Products like rice or like oil palm have good technological support in Colombia. There is a good amount of knowledge, a good amount of syndical support, right? These are products that are very attractive to investors and that are, let's say, working "on their own",

even though I think that if there wasn't a policy of democratic safety in Colombia we would not have these products in these areas. Yes? No. Because these products have been growing precisely because investors feel calmer and they begin to mobilize their capital, to develop those products.

This is an area with an almost endless productive space, because there is a total of three million hectares out of which a million, two hundred thousand hectares are natural parks. That is to say, forty percent are parks, sixty percent are productive grounds, right?, for agriculture, for stockbreeding. Impressive. We can say that there are more than a million hectares that are dedicated to pasture, a large amount of natural pastures still remaining, yes?, which are there, as if they were waiting to be used, to be developed as investments, with new lines of production.

Another point you wanted me to go over in detail, stockbreeding, is a basic product of the region. It is fundamental. Why? Because it is the first form of capital accumulation that a countryside family has access to. It works as their savings bank. It is their savings bank. It is the only way of saving that these families have. So, then, the families, when we go there with these programs, they ask us to give them livestock. They ask for livestock. The truth is that neither the Plan de Transición, nor Progreso, gives them livestock. "We won't give out livestock", we tell the communities. What we do with Progreso is that those farms that can accommodate livestock, good livestock, double-purpose livestock, as we call it, that is, livestock for the production of meat and milk, those farms are provided with a support kit, a support package with... financed by Progreso, with items to better the conditions within the farm. They build their barn, they are provided with churns, they are provided with seeds so that they improve, so that they grow grass, better grass, they are provided with manually operated machines to mix and cut grass, to feed the livestock. And we leave the task of securing livestock to the families. But they understood very quickly that it is not necessary to ask for free livestock. Rather, they are looking for ways to secure animals to be distributed among their family members, and one such way is through loans issued to the associations organized by them. They are requesting, through these credit lines, livestock that they distribute among the families that helped out in the farms. That's the way we work.

There are other, smaller details. Now, for instance, a family has the right to only one benefit. Yes. If a family decides to better its farm towards milk production, that family cannot be participating in a program related to cacao. Programa Progreso and Programa Transición are programs that do not limit people's access to them. The only thing that they request is, in the case of Transición, that the people or the communities commit themselves to severing all links to coca production, to vow for the eradication of coca in the region, in their farms, in their roads. Programa Progreso obviously works with farms that are supposed to be free of coca. There is no coca. The program is obviously supported by local institutions. These programs are very much supported by local institutions such as the Juntas de Acción Comunal, and a later stage, the Juntas de Acción Comunal are very useful for the Programa de Transición. Already, though, in the programs for production, when we go out seeking product lines, unions and syndical organizations begin to form around each product. Right. Questions?

DEVLIN: A few questions on some things you mentioned. You mentioned specifically that you do not give out livestock. Why is that? What is the logic behind that?

SAMACA: I think the logic behind that is to... to set an example for the communities, to show that not everything is to be given to them, to show families that they have to

make an effort. And, obviously, when the family understands this, they happily agree to improve their farm and they themselves begin to come up with a solution on their own, right?, towards acquiring farm animals. It is very likely that other programs will come forward to give out livestock. I don't know of any as of yet. I don't know of any. Yes.

DEVLIN: You mentioned communal credits for the acquisition of livestock. How do those work?

SAMACA: *Once the associations have handled or once they have participated both in the programs of transition and in the Progreso programs, they begin to show results in their balance sheets, because we have already asked ANSES (Administración Nacional de la Seguridad Social) for financial statements and those financial statements must give evidence of the existence of small patrimonies. Small patrimonies, which must come from past aid and support that has already entered the rotating funds of the associations. Many other associations receive other kinds of support that begins to show in its organizations structure. At that time, in those cases, what we do, since these associations are legally registered with the local and national authorities, what we do is to encourage the association to participate in the aid programs that the government provides by means of credit lines and loans. In theory, this is easy. Why? Because the government has, for small producers, a special fund called the Fondo Agropecuario de Garantías (FAG), which is a national fund that functions as a lender or co-borrower so that banks can act more assuredly, right? That is the mechanism that we are thinking about using. It is the mechanism that we think must be maximized. The key to economic development will lie in this mechanism, because aid and donations are temporary.*

DEVLIN: Another thing you mentioned is the public commitment to severing ties with coca. How is that commitment made?

SAMACA: *In the... in the... It is mostly made in the transition plans, as was explained by Carlos (Carlos Ávila), the director. The communities that participate in the Plan de Transición make a contract with the government. Or the national government makes a contract with those communities. In that contract, the disposition of those communities to making a commitment is manifest, to not be involved in that, to clear their roads of that. It is a willful commitment. But it is very important because without it the government does not get involved. Otherwise, the government does not support them. It does not support those communities. And it has worked. I think Carlos can provide us with one of those contracts. Carlos Ávila can show us one of those contracts that state what the commitment consists of. These are contracts between the state and the communities. The communities state their will to participate and the state supports them.*

DEVLIN: You spoke to us about the tripod, about the three legs of the table. Can you explain to us, say, what are the limits to the responsibilities of each of the agents involved, of your office as coordinator for economic development and the office of the transition coordinator? At what point, say, do communities become your responsibility?

SAMACA: *Well, this is... It is a matter that is solved in practice. In practice, because one can see that problems have... The solution to a problem has its own dynamic in each region. As a general rule, it does work as a series of installments, as a sort of sliding scale, where the first step is Transición, then Progreso, and finally, credit lines and loans. But it cannot be that way because, in certain regions or depending on the degree of development of the community, depending on how*

everything is evolving, those steps can overlap or you can have other moments where things coincide. Now, the one certain thing is that areas that receive Transición support are areas that are exclusively under Transición, and, as a general rule, there is neither Progreso nor credit there. So much is true, as a general rule.

What we do is that, among the three people in charge, I take care of... I am the coordinator of general economic development, but I'm also in charge of the third leg, right? Carlos Ávila is in charge of the first leg and Gregorio Llano is in charge of the second leg. So, then, we work in a highly coordinated manner, between ourselves and in conjunction with the local public institutions. We have, we hold periodical meetings in the localities, where we examine the situation of each program together with important local and institutional authorities, such as the SENA (Servicio Nacional de Aprendizaje), the Secretary of Agriculture, and other local institutions. So, we meet in the municipalities. We hold these meetings every three months and we discuss there everything that has been achieved. We discuss and each of us goes there, each of us pointing to the degree of maturity of the region, each of us supporting, working, steering, more or less. Certainly, the Plan de Transición is very specific in certain areas. It is not a plan that is generally on the search for an area to work in, no. That is to say, the areas are selected with a strategic criterion in mind. These areas are not developed by economic development. No. They are selected by the general board of the Plan de Consolidación with a strategic criterion proper to the Plan. Yes. Progreso focuses on areas that we deem recovered or areas of transition, let's say, or yellow areas, even green areas, areas that are already...

Finally, there are credit programs. The credit programs, well, obviously, they have nothing to do with that, because they have their own dynamic, because they are national programs. They are there for whomever needs them. Any citizen of Colombia or any organized group can make use of those policies. So, well, what we do is to help and to work so that the area is strengthened in its capacity to make such requests.

DEVLIN: When you say that you realize that a region has matured to the point where it can have credit, how do you measure the maturity of the region or how do you know that the area is ready for that?

SAMACA: *We depart from what the region reveals over time, on how things such as demand begin to appear. That is out... We don't have a rule, neither a rule nor a methodology, nor a number. We don't have it. Simply speaking, what we observe is the dynamic of the producers, the dynamic of the associations and how they begin to have more and more of a demand for more and more things and what we do is to guide them. To guide them. That is what we do.*

DEVLIN: How do you guide them? Do you take them to the banks or do you help them broker with the banks or is it only a matter of telling them where to go?

SAMACA: *What happens is that in Colombia, in any part of the country, we have local institutions that often lay dormant, and what needs to be done is to jolt them so that they begin to work, because the Plan, the economic component of it, is only one person, which is me. So, then, I cannot, I do not have the elements and it is not worth it, and that is not what this is all about. But what we do is to look for those institutions or those agents in the localities, those institutions and agents that are there and that need sort of an incentive, a form of support, support, an invitation, someone to tell them, "Come here, you can also earn some money if you do this". So, for example, the agricultural engineer associations and the*

veterinary associations, the professionals of the countryside. In this area, one comes across organizations that are called EPSAGRO (Empresas Prestadoras de Servicios Técnicos Agropecuarios). They are private companies of agriculture professionals that are even registered with the Secretary of Agriculture and the Ministry of Agriculture, and they're authorized to sell their services. So, we reach out to them and tell them, "Look, this association needs a credit for 100 million pesos. This can be taken care of. Go ahead". Why do this? Because after these credits are granted, the members of the association have to make their technical services available. So, the objective of this plan, and this is a very important question, is to wake up the local institutions, to energize them, to make them work, and that is what we are already seeing. There are, of course, huge difficulties, a lot of difficulties. But that is our job. That is what it is all about. This is not an automatic process. Why is that? Because these are areas that are not well regarded by banks, not even by the Banco Agrario (Banco Agrario de Colombia), which is the state bank, the state bank for rural development and for farmers. It doesn't even... For them, these areas are also high-risk areas, right? So, that's what makes the job very difficult at times. But I think that with consistency and by providing support to them in the area, it will work. It will work.

DEVLIN: Before speaking further about this subject, when the community is ready for this type of support, what are the needs that the community voices and what are the needs that you believe the community has?

SAMACA: *We believe that... The needs or what the community begins to ask for are exactly all those simple economic activities that are endemic to the area and that we already have ... and we are guiding everything in that direction, yes? For instance, I would think that there would be great demand in the near future, given what I have seen, for improvement in the area of milk production in Colombia. And I would think that, in this area, we will have, in the medium-term, an important... what do you call it, a cluster, and important development node. We call this area a milk basin, that is, an important cluster of milk production. But other products are very important as well, because, for instance, coffee can hold surprises for us, in the sense that many people, or many communities, are raising their demand for it. We were surprised by the fact that before coca arrived to municipalities like Mesetas and San Juan de Arama, coffee production was very important there. The Federación de Cafeteros (Federación Nacional de Cafeteros de Colombia) had committees there. It was very important. The department of Mesetas was an important producer of coffee. So that can be example, so to speak, of something that may bring surprises to us.*

The other thing is the subject of rubber trees. Rubber can be a product that may also see more demand or that could start seeing a strong demand, even though it is a product that takes a long time to produce, because a rubber tree takes five years, five or six years, before it begins to generate profits. But what we have here is that, in these areas, some twenty years ago, around that time, the INCORA (Instituto Colombiano de la Reforma Agraria) planted or invited or supported its beneficiaries in planting rubber trees. Many of these trees are being recovered because they were abandoned. They are even using these trees to gather reproductive matter, and there is also an important demand for rubber production. So, what we see is that each time, each region, all of that is also circumscribed by the dynamics of the region. Yes. Because, let's say we have... There are regions that are emerging as important producers of fruit. Yes, but that's only happening in certain areas, not all of them. As you can see, what we do... That is to say, it may be wrong, even though I personally do not believe that is the case, because I am convinced that the demand expressed by the farmers is a very good indicator. For that reason, we are... We are not skeptical, but we

are careful when it comes to new things that we do not know and that, sometimes, the country does not know. Right? So we wager on the side of tradition.

Notice that this originates from the initial concept of this conversation, because we are not a development plan. We are a plan to recover the road to development. If this were a development plan, we would be most likely thinking about developing new products, about bringing in new things, about taking risks in many kinds of investments, about, well, anyway, about making huge things. But this isn't really a development plan.

DEVLIN: You explained to us that your task is partly to create a link between the local economies and the public institutions that promote agricultural development. Could you elaborate a bit on this? You stated that you jolt institutions. What are the basic institutions that you need to mobilize?

SAMACO: *At the local level, we have the Centros Provinciales de Gestión Agroempresarial. They are the municipal institutions, the provincial centers, for enterprise management. They are the municipal institutions for technical policy. Those are public institutions. Why? Because they belong to the municipalities and they are organized according to regional criteria. Yes, according to regional criteria. So, then, for instance, we have over there a Centro Provincial that serves four municipalities. These municipalities are the ones funding that Centro, and we provide plenty of support for it because it is our primary contact, it is a direct link between farmers and public policy. Yes. They are the ones that help to organize the whole thing. In practice, they are, indeed, the ones in charge of agricultural development throughout the region. Exactly. That is the first source of support, but it is a public source of support. That is to say, it is a good starting point. They have very good information about the area. They have very good knowledge about the producers. In a word, it is a good institution. Yes.*

The other institution that we've spoken about is private enterprise, which, as I mentioned yesterday, it is made up of actual businessmen. They really are businessmen, that is to say, they are agricultural engineers and countryside professionals, veterinaries, who meet, who create their businesses and who provide technical assistance. So, as you can see, at the local level, the Centro Provincial is... it's like the technological umbrella, the one in charge of the local, technological public policy. And the professionals are the ones that execute this public policy. So much is the case at the regional level, but the other important thing, the definitive element, that without which this whole process ceases to work, or could work, but... is the Banco Agrario.

DEVLIN: Is it a national institution under the Ministry of Agriculture?

SAMACA: *It is the national government's bank for farmers.*

DEVLIN: Before you tell us about the Banco Agrario, I have one question about these Centros Provinciales. What specifically do they offer farmers? Could you give us some examples of the ways in which you can help farmers receive services or aid from this entity?

SAMACA: *Yes. What they do is to provide guidance. In order to understand the role of the Centros Provinciales, we have to turn to past chapters in public policy. Colombia made a mistake. It was the following. Until about five years ago, mayors had their own office of technical assistance. It was called UMATA (Unidad Municipal de Asistencia Técnica Agropecuaria). This office was mandated by law, every*

municipality had to have its UMATA. Unfortunately, in some municipalities, they were not properly utilized, even though the great majority of them did make proper use of them. Why? Because the farmer, whenever he had a technical or technological problem, he would logically head to the office of the mayor and the mayor sent his technical assistant, who solved the problem. In many municipalities in Colombia, this was a very esteemed institution. It was very good, very good, but the national government, at a certain point in time, made the wrong interpretation, in my view, regarding the role of the UMATAs, because some of them did not work or worked poorly, or they were used as political agencies, agencies of misjudged politics, and the government thought that the right answer was to eliminate them and to create, instead, the Centro Provincial. That's the story. But those are the institutions that we have to work with. They play the same function, but now, the Centro Provincial does not have engineers, and neither does it have the wherewithal to solve the farmer's problems. It doesn't have it. But it does have, increasingly as time goes by, the power to coordinate local needs with agencies, to refer those needs to agencies and to find solutions to those needs, to give solutions to those needs. For that reason, we support them, because once the Plan de Consolidación is gone, what will remain? The agencies will remain, and we have to strengthen those agencies.

DEVLIN: Can you give us examples of the agencies that these Centros work with in providing support to farmers?

SAMACA: *Over there, we work with three agencies. There is one called Agroparques. That agency is in charge of four of the six municipalities in La Macarena. It has a director, whose name is Freddy Paz (Freddy Antonio Paz Salazar) and he is in Villavicencio, his office is in Villavicencio, right. He works closely with us and with the mayors. With them, we implement... In practice, we implement local agricultural development policies.*

DEVLIN: Taking a step backwards, may I ask how do you do that? How do you make sure that this process works? What is the your role between the farmer and the Centro Provincial?

SAMACA: *As I told you, our role is to give a more prominent role to local institutions, to provide them more support. For instance, together with Progreso, which has the resources, we have propelled Progreso to sign agreements with local agencies, right?, for that very reason: to strengthen those agencies as local agencies of agricultural development, yes? Perhaps the difficulty in understanding what our role is lies in the following, which is why I mentioned the example of what UMATA was then and what is now the... First of all, these are now the official institutions that one finds in a locality. Second, these institutions are now, let's say, finding their way and, one could say, their working areas. And, lastly, as I mentioned before, they are possibly the ones that, or the ones that must, continue with the Plan de Desarrollo once the Plan de Consolidación is no longer in place, thus giving shape to economic development of the region. Yes.*

DEVLIN: So, would you say that what you're doing is strengthening the Centros, rather than asking the Centros for help on behalf of the farmers?

SAMACA: *Absolutely. We are strengthening the Centros, because they are... Who does the farmer reach out to? Generally speaking, he first goes to his mayor, yes, he seeks out the mayor and the mayor, on his part, who does he reach out to? So, since he no longer has the UMATA, bur rather, since what he has is an institution created... So, he channels demand towards the Centro Provincial, right? And the Centro Provincial, how does it deal with this demand? Yes? Often, the Centro*

Provincial has public resources, and even... They have technical assistants to solve certain problems, but generally, that is not the case, right? But depending on the nature of the assistance sought, they are the right people to organize a response to the assistance that is being requested. So, for instance, it is at that time that the Centros seeks out the support of organized professionals, that is, of the EPSAGRO, which are the enterprises. Those are the two sole local institutions. There are no more local, basic institutions.

DEVLIN: As far as strengthening the Centros, you mentioned that you coordinate, say, the resources of Progreso so as to strengthen the Centros. Are there any other resources besides the resources from Progreso or would you say that all resources that strengthen the Centros come from Progreso?

SAMACA: *No. Progreso is but an example of how we accept and recognize that these are the institutions that we need to work with in order to enter the region and to contribute to the recovery of the region, and also because these institutions need a little support in order for them to help us more. For instance, support in the form of equipment, just an example, so that they have equipment to better handle their information. Things of that nature, yes?*

What was your question?

DEVLIN: Say...

SAMACA: *What is the principal source? The mayors. Mayors are the ones that provide support and funds, yes, they fund these Centros Provinciales. Obviously, there are also resources that come directly from the Ministry of Agriculture.*

DEVLIN: So, you assist in coordinating that support from the Ministry of Agriculture, the local government, and Progreso?

SAMACA: *We haven't had the need to work with the Ministry of Agriculture, to reach that level. Up until now, we have been, and I don't think that this will be specific to our area, yes?, the coordination with the mayors and with... yes, that's the basic work. From there on, one can or one does many other activities. There are other links to institutions that work in the area, for instance, links to CORPOICA (Corporación Colombiana de Investigación Agropecuaria), to SENA, and other institutions working there, like the laboratories for peace (Laboratorio de Paz en Colombia). That is to say, the tangle of institutions is larger, right? But I am trying to point to the one that we deem nodal, the one that roots us, the one we know will work very well when we are no longer around.*

DEVLIN: And the resources that you pick out are mostly towards equipment or towards personnel, towards training?

SAMACA: *Equipment, personnel, exactly, towards that. That's it, yes.*

DEVLIN: And when you do training, do you bring in another agency to do the training or...?

SAMACA: *We do, we've had agreements with SENA, as well, yes.*

DEVLIN: We began by talking about how difficult this whole process is. So, in regards to the local level, the municipal level, what are the difficulties that you face in trying to build collaboration?

SAMACA: *At the local level, I haven't seen grave difficulties. No, I haven't, for one reason. I don't have anything to complain about as far as I've seen, because what we have found is that, locally, there are incredible human and professional abilities. It is very easy. There is a lot of human capital that is not being utilized, very good capital, yes? The Universidad de los Llanos supplies very good engineers. There is a good amount of agricultural engineers, veterinaries, agriculture technicians... On that front, I haven't seen any restrictions, yes? What we could point out is that we would, indeed, like to see them be much more proactive, to see much more activity in, for instance, institutions like SENA, which, generally speaking, is a very good institution with local links, an institution that works well, but that one would like to see doing more... But that's our job. I think that's exactly what this is all about. Yes. That's our job. The Secretary of Agriculture, for instance, one would like to see the Secretary of Agriculture with many more resources to work with, right? And that it had more money for those times when we come up with a program or when we help out a community, for example, to establish sugar cane or rubber crops. But we know that is not going to happen. The Secretary of Agriculture does something that is very important. They have few resources. We, through our work, make a statement directed at the government: "We wish you dedicated the entire budget to the department". Since we're talking about 29 municipalities and we need them to focus on six of them, we say: "We wish you would devote forty percent of your resources to that area". Obviously, we don't have a way of actually telling them that this is the way it should work, but the Secretary of Agriculture, even despite its limitations, collaborates with us. As always, one would like more things, but the reality is that we are not going to get them, yes? The Meta government is backing up loans for people who ask for credit and who are denied by the banks because the eighty percent that the national government backs up is not enough, so they have to get backing for that other twenty percent, right?, which the Meta government backs up. That's a very important kind of support. At the moment, in terms of economic development, my only complaint is in regards to the Banco Agrario. That's all.*

DEVLIN: So, tell us a bit more about the Banco Agrario, if that's alright with you. Could you help us understand what role should it play?

SAMACA: *Who?*

DEVLIN: The Banco Agrario.

SAMACA: *It should simply do what the country set it out to do. It is the bank for the farmers and for underdeveloped areas. Nothing more. Nothing more. That's enough. The Banco... What we have seen is that it has a structure, a very complex administrative structure, yes, very complex. I, we, since February, since February, we have been involved in a process to approve applications for 250 loans, for about 4.500 million pesos, that is to say, about 2 million dollars. And to this date, we have not been able to get a single loan approved. The attitude of the bank is very complex. I think the bank or the bank's high-level administrators are more keen to work on larger credit lines, which they call corporate credits, right?, and loans for the infrastructure of the country and that sort of thing, and the loans for these areas are seen as very... as having too much risk, even though these are loans that are backed by the national and local governments. Yes. We believe that the way we have gone or this whole process that we've been involved in since February is something that we necessarily had to do, because what we are trying to do is to encourage a more proactive stance on the part of the bank, in regards to rural development in Colombia, in regards to these areas. Yes. It's complicated.*

DEVLIN: Is this one of those cases where the bank has forgotten about farmers, or do you believe that, say, that it is the program that they are against or that there is a policy against development in the region?

SAMACA: *That is the reason why I believe this is too much of a complicated issue, because, I mean, the question that we've been asking ourselves is that if we have managed to promote 250 loan applications in this area, right?, which is a process that begun between February, March, April of this year, why is it that we don't have an answer by May? I meant, it's either approved or it's not, simple as that, nothing else to it. We are not asking them for loans for these areas. What we are requesting is that the bank does its job, and its job is to approve or to not approve loan applications. Why hasn't that been done? The question or the matter is more complex, it is that of confronting the institutionalism, which, in this case, is national, in order to try and take it to these areas. It is a problem that we deal with in cases such as the land, a problem that you may have gotten to know. We have an institution in Colombia, which is the one we have created to give solutions to these problems and, nonetheless, when the time comes to solve them, that same institution gets tangled. It cannot do it. Internally, there is a lot of rigidity or... An institutional complex is that which is preventing it from working, from working they way one would have wanted it to work with these region. In the Banco Agrario what's happening is exactly that, yes, the inability of that organization to take a financial service and make it available to the areas of the country that are most lagging. They act as if... as if they didn't understand because they are bankers. They act with the precaution of a banker, yes? And it's obvious that, in these areas, there are problems that... often, problems of defaulted loans. We don't deny the fact that these are high-risks areas for credit, but that does not justify the fact that the institution is not doing its job. That is precisely its job. It is precisely them who have to assume the cost of attending to these transactions. So, then, it's very hard.*

I'll give you a current example, from today. Today, I'm going on a campaign. We've organized a credit campaign in Macarena, to give out small loans, which are loans that are called Banca de Oportunidades (Banca de las Oportunidades), which are loans for at most 3 million pesos for very poor families or for women that are head of households or for small businessmen, small traders. So, what does the bank tell me? They say, "It's just that, in Macarena, I am only allowed to have 10 clients". And for us, to mobilize from Bogotá for 10 clients only, it's not worth it. So, I tell them, "But that's not their problem. You have to do your job, regardless of whether it's one loan or two loans. You have to do it". But they say "No". The teller confides in me, "I cannot make the case for it in the eyes of my boss". So, those are the institutional restrictions that one finds. Now, I have to call him and tell him, "No, it's alright, it's not 10. I've managed to group together 30 loans so you can go there. Now you can go take care of these loans". Then he says, "Alright, yes, now I can go". So, the rationale is the rationale of a private banker, it is not the rationale of a public servant. They have not assimilated as their responsibility the fact that they have to go serve areas that are urgent areas for the country and, moreover, when, for instance, these loans are small, all these loans are backed by the President of the country, which means that if someone defaults on them, if there is a risk of default, the loan is paid by a special fund held by the presidency, it pays for it, it pays the Banco Agrario. So, that's a concrete example. So you can imagine that, say, for other kinds of transactions, more commercial transactions, more productive ones, that is the problem we face.

DEVLIN: So, what is the problem with the 250 applications you submitted? Is it so many that they would not be backed by the President's fund?

SAMACA: *Of those 250 applications, eighty percent are covered by FINAGRO. FINAGRO is a special fund, a special fund, precisely for those farmers that do not have financial guarantees. In those cases, they may make use of the fund. And out of a loan for 100 million, or, let's say, for 10 million, FINAGRO will back 8 million, it provides the financial guarantees for it. FINAGRO is the co-borrower. The government provides the other twenty percent. And even then, even then, the bank gets internally tangled when it attempts to process these loans. So that is the reason why I was telling you that it is very hard to understand. I think the problem lies in that the bank as an institution has a... that is, its mentality is elsewhere, elsewhere, and it is not where it is supposed to be, and that's what makes everything difficult, because all the executives of the bank, right?, they begin to look after each other in their respective areas of work. His performance is assessed not on his ability to provide a public service but on whether loans got paid back or not. And the bank does not care whether it gets back the money or not. So the executive has everything... or the public servant, right?, he is, in that sense, against the wall. Everything has to be very assured. So that's what makes things complicated, yes? And there are many more stories, but that's the essence of it. We believe that if we manage to start solving this, we will bring down standing obstacles to economic development.*

DEVLIN: So, faced with a challenge like this one, what do you? Is there a channel, or is there anything that the person in charge of this whole Plan de Consolidación can do? Can Dr. Balcázar (Álvaro Balcázar) have a role in this?

SAMACA: *Álvaro, yes. We do what we can. We do... We have sent, for instance, very strong messages to the president of the Banco Agrario, to the Ministry of Agriculture. We will probably send one out to the President, things of that nature. When the message arrives, then, immediately, the mood to solve things is immediately rekindled. At that time, they immediately call us, "But how is it that they have not approved the loans? What is going on? Let's meet. How's the loan going? Why hasn't this worked?" They chastise the executives, they chastise me, yes, because I haven't done anything, because, I don't know. And we work there for 15 days. Our paperwork is given back to us. And again, and "What's going on?" And the process goes on and on, it goes on. It's complicated. It is not automatic. In terms of economic development, I think it's the... I mean, it's the biggest lesson that we've seen here, and that is the difficulty that institutions have to get it done.*

DEVLIN: If I may ask, to some degree, the institution that the Plan works under, the CCAI (Centro de Coordinación de Acción Integral), has a person from the Ministry of Agriculture who is supposed to be in charge of working on all of this. There is a presidential mandate for all ministries to support this.

SAMACA: *It's funny, but that's not the way things work, not in practice. If we were to analyze this, it's a shame this goes a bit beyond the parameters allocated for our conversation, but I've had to rely on, so to speak, principles of political science from special interest groups, to rely on the principle that policies are really the product of having the capacity to maintain lobbying groups. If we don't manage to have a good lobbying group for this area, we won't have, all of a sudden, good policy, like, for instance, the unions have good policy. A union like, for example, Fedearroz, has no problems getting a loan. If I am a rice farmer and I am affiliated to Fedearroz, Fedearroz immediately takes me to the bank, introduces me to the bank, and the loan is given to me. But Fedearroz is a very organized group that even has financial power and that has political power. So, that's why it*

is difficult, that's why I told you towards the beginning that this is one of the hardest aspects that we've gotten to know. Because, in practice, there are times when one cannot go through with a formal complaint, because everything is in process. "No, because it is in process", and we've been at it for eight months. "No, it's in process". I mean, it is a process, and since they don't give us an answer, so, then, when one asks for an answer, they say, "Oh, no, the problem is that you're missing something". So we go back and we meet again and once again, and it is... it is complicated.

DEVLIN: Maybe we could end on this point and thank you for being so generous with your time. We spoke of the many difficulties you've had along the way, and things are still in flux, they're still changing. But looking back to what has already been done, what are the lessons learned? What are the things that you would have done differently knowing what you know today? Or maybe there is another institutional organization that perhaps did not work as well as it would seem like on paper. There are things that...

SAMACA: *Of course. The presidential mandate must have flesh, it must have a backbone, it must have teeth, and not just be a declaration of goodwill. I think that, and not just in regards to the economic part of it, but also for other areas, if we work with the local institutions, slowly we make progress, thanks, obviously, to the resources of international aid. But what we've seen is that without these resources, this will need or it does need a slightly different political definition. It's a little different. That is to say, we don't gain any ground, for instance, in the area of economic development, we don't gain any ground by saying, "Let's use up the resources of international aid, let's plant cacao, let's..." And, well, and the local economy in seeking out loans is then subject to different forces and to the problems of, say, the problems of all this tangle of institutions, things of that nature. The problem is a profound one, in our view. It is not that these areas are not going to be reintegrated. These areas are becoming part of the country. They become part... I mean, we have recovered them. I have no doubts about that. None. The political response is a matter of timing. How long do I want to take to do this? Is timing not a concern? So, then, we go, we leave the matter of what's going there very organized, and, for instance, the matter of building up working funds for the associations and their association. And that's it. And we leave. Or, is this not a matter of timing? The government believes that we must set an example quickly. It recognizes that these areas need special attention, it gets on the president of Banco Agrario's case, and it says, "Please," it says, "absorb the costs, assign people to this and have some account executives handle the business of this region, just like you have an accounts executive working with the large companies doing public works, even in oil exploration and who knows what", because the Banco Agrario is also directing resources that belong to the farmers to that sort of thing. I'm not saying it should not do it. Obviously, it is a bank and it belongs to all Colombians and it has to make a profit, but neither should the government give it carte blanche for doing things that it should not be doing. There should be consequences. I think these are public policy decisions. And if not, then we're still all the same. I hope that if we see each other again in a year, I hope I won't be able to tell you that the credit applications are still there, "No, they're still there, we don't know where the matter is going", and that they are still being processed.*

DEVLIN: Well, thank you so much, Henry. It's been a fascinating conversation.

SAMACA: Thank you.