# CAF Colombia Country Strategy 2023-2026: Promoting Sustainable and Inclusive Growth

**Date**: 2023-01-01

**Location**: Bogotá, Colombia

## Executive Summary

The CAF Colombia Country Strategy 2023-2026 outlines a comprehensive approach to foster sustainable and inclusive growth in Colombia. It emphasizes four strategic pillars: rural development for sustainability and inclusion, sustainable productive transformation, social equity, and institutional modernization. The strategy aims to address significant regional disparities by enhancing infrastructure, promoting access to quality education and healthcare, and supporting local governance. CAF will leverage financial instruments, including loans and technical assistance, to finance high-impact projects aligned with the Sustainable Development Goals (SDGs). Key initiatives include improving connectivity, supporting climate action, and fostering economic opportunities for marginalized communities. The strategy underscores the importance of collaboration with local governments and stakeholders to ensure effective implementation and maximize social impact.

## Characteristics

* **Sustainable Development Focus**: CAF positions itself as a green bank, emphasizing sustainable and inclusive growth in Colombia through strategic investments and partnerships.
* **Four Strategic Pillars**: The strategy is built on four pillars: rural development, sustainable productive transformation, social and human development, and governmental modernization.
* **Collaboration and Capacity Building**: CAF aims to strengthen local governments and institutions, enhancing their capacity to implement effective public policies and manage resources.
* **Addressing Inequality**: The strategy prioritizes reducing social and economic inequalities, particularly in underserved regions, by improving access to essential services like education, health, and infrastructure.
* **Climate Action and Biodiversity**: CAF integrates climate action into its projects, promoting initiatives that protect biodiversity and support climate resilience.
* **Financial Instruments and Technical Assistance**: The strategy includes diverse financial instruments and technical support to facilitate project implementation and enhance investment in key sectors.

## Actors

| Category | Actor |
| --- | --- |
| Political Actors | Government national; Government officials; Policy level representatives |
| Economic Actors | Inter-American Development Bank; Development Bank of Latin America and the Caribbean; World Bank |
| Civil Society Actors | Non-governmental institutions; Civil society organisations |

## Main Themes

| Category | Subcategory |
| --- | --- |
| Inclusion & Social Development | Digital Inclusion; Social Cohesion; Gender Equality in Tech; Digital Education; Connectivity; Sustainable Digital Development |
| Data & Governance | Digital Governance; Data Protection; Cybersecurity; Data Privacy |
| Digital Transformation & Strategy | Digital Infrastructure; Digital Platforms; Digital Policy; Digital Economy |

## Practical Applications

* Financing programs and projects of significant impact in Colombia, including infrastructure and social services.
* Support for the Government of Colombia through budget support instruments amounting to USD 2.35 billion to promote strategic policies.
* Collaboration with local governments and private sector to finance high-quality investment programs and projects aligned with the Sustainable Development Goals (SDGs).
* Implementation of the Catastro Multipropósito to promote stable and transparent land tenure, enhancing productivity in the agricultural sector.
* Financing for the construction and optimization of water and sanitation infrastructure through the National Rural Water Supply and Sanitation Plan.
* Support for the development of the National Riego Plan for Family and Community Economy to improve agricultural productivity.
* Financing for the expansion of energy transmission networks and the incorporation of renewable energy sources into the energy matrix.
* Development of the CAF Asset Management Corp. (CAF-AM) to manage private capital funds for infrastructure projects, including the establishment of the first debt fund for infrastructure in Colombia.
* Implementation of the Program for Integral Border Management to promote commercial, productive, and social integration in border regions.
* Support for the digital transformation of public administration to improve service delivery and citizen engagement.
* Promotion of financial inclusion initiatives targeting vulnerable populations, including women and ethnic minorities, through innovative financial products and services.
* Financing for projects aimed at enhancing the competitiveness of small and medium enterprises (SMEs) and facilitating their access to international markets.
* Support for the development of sustainable tourism initiatives that promote local culture and environmental conservation.

## Commitments

* Increase capital by USD 7,000 million to double the portfolio to USD 60,000 million by 2030.
* Provide USD 2,350 million in budget support to promote strategic policies for the country.
* Reduce CO2 emissions from the transport sector by 2.1 million tons.
* Implement the National Water Supply and Basic Sanitation Plan to improve coverage and quality in vulnerable territories.
* Support the financing of the National Irrigation Plan for Family and Peasant Economy to improve agricultural productivity and living conditions.
* Prioritize financing for the construction, optimization, and expansion of water and sanitation infrastructure.
* Increase the number of university slots through financing for higher education infrastructure.
* Support the financing of projects for the construction of physical infrastructure for multipurpose irrigation and drainage.
* Promote the financing of renewable energy projects, including wind, solar, and biomass, as part of the transition to a cleaner energy matrix.