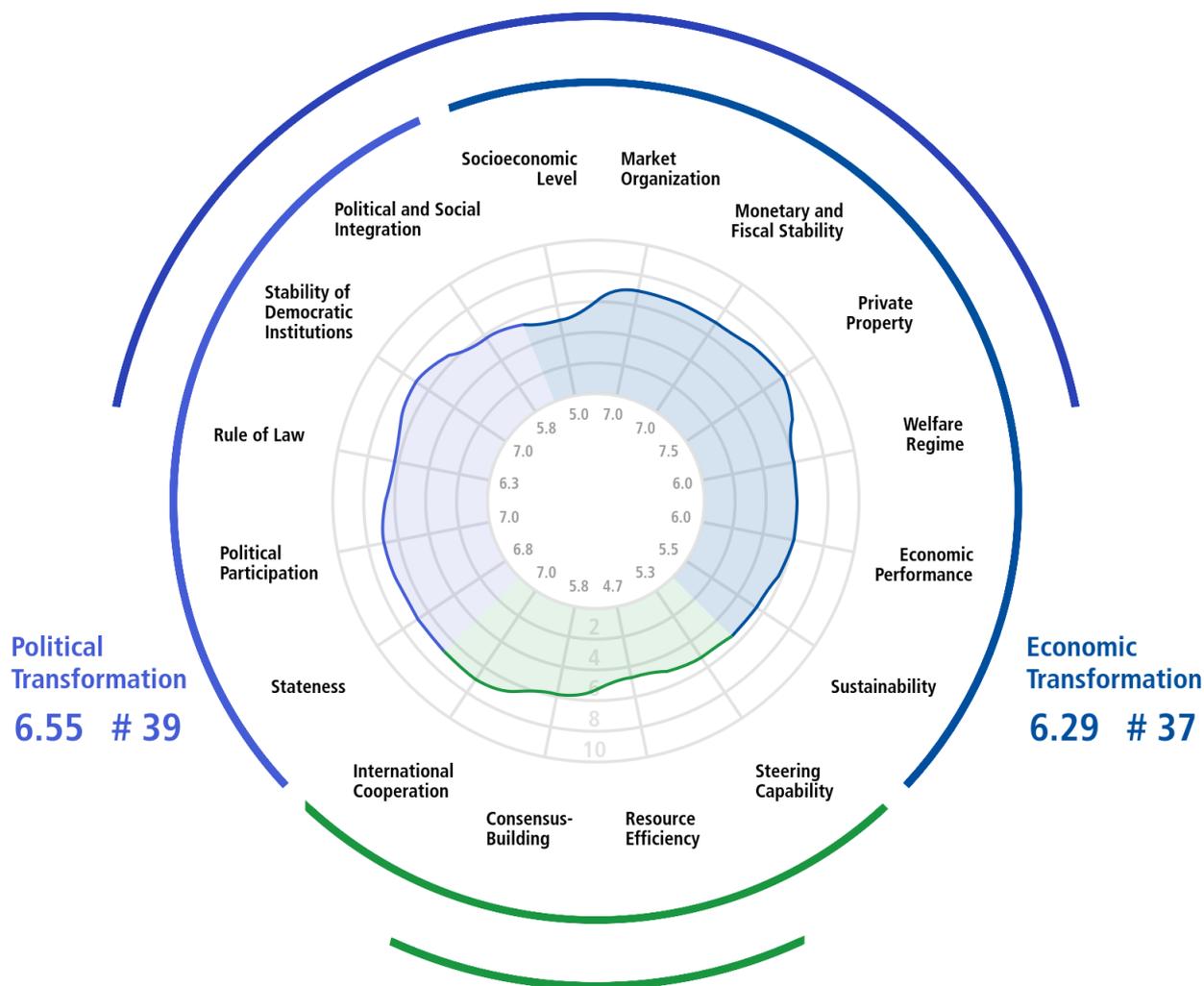


# Colombia

## Status Index

**6.42 # 34**

on 1-10 scale out of 137



**Political Transformation**  
**6.55 # 39**

**Economic Transformation**  
**6.29 # 37**

## Governance Index

**5.08 # 51**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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**Key Indicators**

Population	M	<b>52.9</b>	HDI	<b>0.788</b>	GDP p.c., PPP \$	<b>21495</b>
Pop. growth <sup>1</sup>	% p.a.	<b>1.1</b>	HDI rank of 193	<b>83</b>	Gini Index	<b>53.9</b>
Life expectancy	years	<b>77.7</b>	UN Education Index	<b>0.698</b>	Poverty <sup>3</sup>	% <b>14.0</b>
Urban population	%	<b>82.7</b>	Gender inequality <sup>2</sup>	<b>0.393</b>	Aid per capita \$	<b>19.7</b>

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

## Executive Summary

The period under review was shaped by the complex and evolving dynamics surrounding Gustavo Petro's ambitious reform agenda. Compared with the initial phase of his term, conditions have grown more difficult for the executive. Although a few reforms were enacted, the pace of progress has slowed significantly. Initiatives in key areas have foundered. The administration has also faced substantial challenges, including structural constraints and policy inconsistencies, which have impeded effective implementation.

In the realm of democracy and governance, several developments have shaped the political landscape. First, the collapse of the pro-government majority coalition in the first half of 2023 led to strained relations between the executive and legislative branches, especially over disagreements about the content of critical reforms. Second, tensions have emerged between the executive, the judiciary and oversight institutions, particularly when high court rulings have overturned legislation proposed by the government. Third, Petro's election to the presidency followed a period of intense social mobilization and unrest, which notably subsided after he took office in 2022. Unlike his predecessor, Iván Duque, Petro has adopted a conciliatory approach to protests, emphasizing protection of the right to demonstrate and addressing offenses by security forces. Fourth, the government's flagship "Total Peace" policy has failed to deliver significant results. Security conditions have deteriorated, with escalating violence driven by the expansion of non-state armed groups and their attacks on each other and civilians.

A central pillar of Petro's presidency is the structural transformation of Colombia's economy, shifting it from reliance on fossil fuels to a model centered on clean energy, tourism and agriculture. In line with this vision, the government halted new oil and gas exploration contracts in 2023, sparking debate over the economic implications and the country's ability to meet its energy needs. While the tourism sector achieved record growth during this period and the administration has laid the groundwork for a green transition, these initiatives remain in the early

stages. After a post-pandemic rebound in 2021 and 2022, economic growth in 2023 and 2024 has been modest, with projections of 2.8% growth in 2025. Inflation, however, has declined significantly following an unprecedented surge.

The incumbent inherited a country grappling with fiscal instability and limited revenue capacity, challenges that have intensified during Petro's tenure. Although a tax reform was passed in 2022, a subsequent proposal was rejected by Congress in December 2024, forcing the government to make cuts to the 2024 public budget and the proposed 2025 budget.

As Petro enters the final phase of his term, evidence suggests an unfavorable outlook characterized by the president's increasing reliance on a plebiscitary approach to governance amid growing internal divisions, governance challenges, and both domestic and external constraints.

## History and Characteristics of Transformation

Political and social transformation in Colombia has been shaped by the interaction of democratization and market-oriented reforms, as well as multiple forms of violence, conflict and inequality. The country experienced a period of intense political conflict known as "La Violencia" lasting from 1948 to 1958. During the 1958 – 1974 period, the political elite of the Liberal and Conservative parties established a system of alternating power known as the National Front in response to the wave of rural political violence. During this period, the Revolutionary Armed Forces of Colombia (FARC), a guerrilla organization, consolidated its presence. Economically, the years between 1958 and the 1980s were characterized by a "soft" protectionist model of economic growth known as the import-substitution industrialization strategy.

Although the country experienced reasonable levels of economic growth and a stable macroeconomic environment during that period, the distribution of income became more unequal, dependence on coffee exports increased and infant industries were less successful than hoped. Structural economic reforms began in the late 1980s and were deepened and extended by the liberalizing reforms of President César Gaviria (1990 – 1994), which effectively internationalized the country's previously fairly isolated market. However, the economy did not grow as fast as expected, and several economic sectors, such as agriculture and manufacturing, were adversely affected by Gaviria's reforms.

Although the country's security situation deteriorated in the 1990s because of the emergence of paramilitary groups and the burgeoning illegal drug trade, the 1991 constitution marked a significant advance in the country's democratization and political transformation. It established key institutions, such as the Attorney General's Office and the Constitutional Court, and instituted the direct election of mayors and governors. It also codified a human rights framework and established Colombia as a constitutional state.

In the late 1990s and early 2000s, the Pastrana government (1998 – 2002) initiated an unsuccessful peace process with the FARC that contributed to the radicalization of political discourse in the country. Elected on an anti-FARC agenda, Álvaro Uribe (2002 – 2010) reformed the armed forces

with U.S. financial support under Plan Colombia and enabled the army to deal historic blows to the FARC. Uribe's so-called Democratic Security Policy aimed at recovering territory for the state and eliminating illegal armed actors. Economically, GDP grew an average 3.7% between 2003 and 2008, and foreign direct investment became a centerpiece of the country's economic strategy.

Juan Manuel Santos (2010 – 2018) launched a new peace process with the FARC in 2012 that culminated in a peace agreement that was ratified by Congress and widely endorsed by the international community. In recognition of his efforts, Santos was awarded the Nobel Peace Prize in December 2016. However, implementation of the accord soon became a point of contention in Colombian politics. Discontent with several provisions of the agreement, combined with rising political polarization, contributed to the election of Iván Duque as president in 2018. While the agreement has brought relative peace to some areas, it has not led to substantial structural transformation. Although homicide rates and some forms of victimization have declined, violence has surged in several regions. Colombia continues to grapple with the presence of numerous illegal armed groups, including left-wing guerrillas, successor paramilitary factions and organized-crime syndicates.

Widespread discontent with Duque's administration, along with growing demands for the state to address deep-seated inequality, exclusion and ongoing violence, reshaped the political landscape and paved the way for Gustavo Petro's historic election in 2022 as Colombia's first leftist president. His victory was driven by the advances of leftist movements and parties as well as the political dynamics sparked by the 2016 peace agreement. While Petro's government has advanced reforms in key areas such as energy, pensions and land reform, it is unlikely to deliver fully on the ambitious promises of its platform.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

The Colombian state does not exercise a monopoly on violence throughout its territory. Instead, governance and violence dynamics stem from the state's interactions with a diverse array of non-state armed actors, including rebel groups, organized-crime groups and street gangs that operate in various regions of the country. These groups differ in their territorial reach, with some spanning multiple regions and others confined to specific areas. At present, the Ejército de Liberación Nacional (ELN) is the largest rebel group, while the Autodefensas Gaitanistas de Colombia, also known as the Gulf Clan, is the most influential organized-crime group. In recent years, FARC dissident groups have expanded and strengthened.

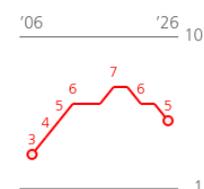
The peace process and the 2016 agreement with the FARC led to a notable reduction in armed violence. However, that trend ultimately reversed, and violence has intensified continuously. Violence has become increasingly localized, driven by territorial disputes among rebel groups and organized crime. Amid intensifying intergroup competition, non-state armed groups have expanded their territorial presence. Data from the Armed Conflict Location & Event Data (ACLED) organization show that the number of municipalities with reported armed group activity rose from 343 in 2019 to 494 in 2023. Non-state armed groups also operate beyond Colombia's borders. For example, the ELN guerrilla group operates on both sides of the Colombia-Venezuela border.

President Petro has embraced the "Total Peace" policy, aimed at ending violence through parallel negotiations with insurgent and criminal groups. While the policy has reduced direct confrontations between state forces and non-state actors, it has failed to improve security conditions for the population. Violence perpetrated by non-state armed groups against civilians has escalated amid heightened competition for territory. Violence against social leaders and human rights defenders remains one of the most troubling manifestations of this conflict. According to data from Institute of Studies for Development and Peace (Indepaz), 188 social leaders were assassinated

Question  
Score

Monopoly on the  
use of force

5



in 2023. The violence continued in 2024, with 173 killings. Former FARC combatants also remain frequent targets, with 44 ex-combatants murdered in 2023 and 31 in 2024.

In January 2025, intensified armed attacks by the ELN in the Catatumbo region prompted the government to declare a state of emergency. This situation demonstrated the shortcomings of government policy against a backdrop of increasing violence. Non-state armed groups continue to gain strength and are establishing and enforcing rules, effectively assuming governance functions particularly in marginalized rural and urban areas.

A large majority of the population recognizes the legitimacy of the nation-state and its constitution. The Colombian constitution guarantees equal rights (including civil, political, social and collective rights) to all citizens, regardless of race, religion, gender or political beliefs. However, many groups – particularly those in marginalized rural and urban areas, Indigenous communities, Afro-Colombians, peasants, and women and children – face significant barriers to fully exercising these rights due to systemic obstacles and a lack of resources. These groups have historically been neglected by the state.

Freedom of religion is a constitutionally protected right. Although Colombia is a secular state, the Catholic Church continues to hold a privileged status. In recent decades, Protestant denominations have experienced significant growth, with some becoming increasingly active in electoral politics through church-affiliated political parties and through individual members. Although religious doctrines do not directly influence political institutions or public policy design, religious organizations often mobilize through both institutional and noninstitutional channels on issues such as abortion and sexuality.

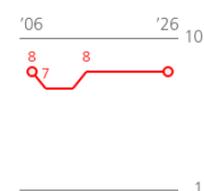
Colombia has functioning administrative structures throughout the country, but these exhibit significant territorial disparities. Judicial functions, tax authority presence and the reach of law enforcement are limited in some areas, and large parts of the country still lack efficient and reliable access to public services. These gaps are apparent not only between rural and urban areas, but also across subnational regions.

Under Colombia's decentralization system, municipalities are responsible for providing essential services, including water supply, basic health care and education. However, many municipalities lack the capacity to fulfill these responsibilities effectively. The National Planning Department (DNP) assesses municipal performance through the Municipal Performance Measurement. In 2023, the national average score on this measure was 55.54 out of 100.

State capacity is weakened by corruption, inadequate infrastructure, violent conflict, limited fiscal resources and a lack of technical and managerial expertise, particularly at the local level. Clientelism and patronage further hinder the effective functioning

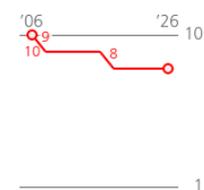
#### State identity

8



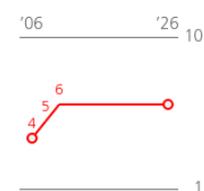
#### No interference of religious dogmas

8



#### Basic administration

6



of the state. One prominent challenge is the limited capacity to raise fiscal revenue. According to the OECD's Revenue Statistics, Colombia's tax-to-GDP ratio rose by 2.6 percentage points between 2022 and 2023, from 19.7% to 22.2%.

The 2023 National Household Survey found that 90% of households have access to water services. However, a significant disparity persists between rural and urban areas; only 62.6% of rural households have access to water services, compared with 98% in urban areas. Furthermore, 76% of all households have access to a sewer system, 98.7% have electricity and 83.4% have access to garbage collection services.

With regard to health care, 99% of Colombians are covered by the national social security health system. While the government has advanced toward universal health coverage and formal insurance for most of the population, many people still face barriers to accessing health services in a timely, efficient manner. Similarly, in education, more than 90% of children in the appropriate age cohorts are enrolled in primary and secondary school, but widespread issues with infrastructure and service quality persist.

Petro's government continues to implement strategic programs to expand and improve the country's infrastructure. By the end of 2024, the National Infrastructure Agency reported that the Fourth Generation (4G) Roads Program was 89% complete. The program aims to build 7,000 kilometers of roads. In addition, the implementation of a multimodal infrastructure program (5G), which includes 14 projects and an estimated investment of \$3.6 billion, has been underway since 2022.

## 2 | Political Participation

Direct, equal and secret suffrage is a fundamental right of all adult citizens. Colombia's electoral census includes all citizens who are eligible to vote, encompassing both those residing in the country and those abroad. Registration is automatic when a citizenship card is issued at age 18. Voters can update their polling place from one year to two months before Election Day.

Elections are held periodically at both the national and subnational levels. The right to campaign for elective office is upheld, and multiple parties with diverse platforms are able to compete. Political posts are filled according to election outcomes. However, fraud, violence, vote-buying, opaque campaign financing, flawed candidate selection processes and weak enforcement of electoral laws undermine the quality of democratic elections and participation. The law grants all legally recognized political parties and movements free access to state media for presidential and congressional elections. Yet media access remains unequal in practice because access to private media depends on financial resources.

Free and fair elections

7

'06 '26 10

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Subnational and municipal elections were held in 2023. According to data from the Electoral Observation Mission (MOE), 35 legally recognized parties participated in these elections, twice as many as in 2019. As in previous electoral cycles, political participation was jeopardized by violence and the activities of non-state armed groups. The MOE documented 732 violent attacks targeting candidates or political, social and grassroots leaders.

In October 2024, the National Electoral Council (Consejo Nacional Electoral, CNE) launched an investigation into President Petro and his campaign managers for allegedly violating campaign finance limits in 2022. The government and other political groups have argued that the investigation is politically motivated. The CNE only has the ability to impose financial penalties, as the power to impeach the president lies solely with Congress. Regardless of the merits of the investigation, the CNE's strict oversight in this case contrasts with its decision to drop the case of alleged links between the electoral campaign of former President Iván Duque and drug trafficker Jose Guillermo Hernández, known as Ñeñe.

The current government has attempted to advance significant reforms to electoral laws and the institutional framework but has not succeeded. Congress debated and approved a new Electoral Code. However, in August 2024, the Constitutional Court nullified the law due to procedural flaws. Following this setback, the government presented a new electoral reform bill to Congress, but it was ultimately rejected in December 2024.

In principle, elected rulers hold effective power to govern without undue interference from veto actors. Yet governing capacity is shaped by complex networks of formal and informal actors. Economic groups and businesses wield considerable influence over decision-making. In some regions, subnational authoritarian enclaves exist, and local politics are dominated by a few political clans and families. These groups wield power through patronage, economic control, media influence and, at times, alliances with armed groups. Local elites and landowners also resist democratic reforms through clientelism, co-optation, and violence against political competitors and grassroots activists.

Petro's presidency has introduced a new dynamic into historically prevailing relations among key power actors by including representatives of historically marginalized populations in the government and strengthening citizen participation in policymaking processes in crucial areas. However, the impact of these changes on the ability to build stable, solid political structures and processes in the medium and long term remains uncertain.

Effective power to govern

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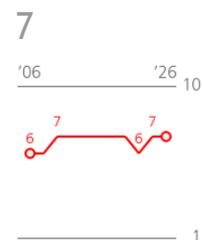
The constitution guarantees the freedoms of association and assembly, and these rights are enforced. Political and independent civic groups may form freely. However, legal provisions and aspects of institutional design may constrain the recognition of minority political parties. Additionally, violence remains a grave threat to these freedoms, with human rights defenders and grassroots activists – referred to as social leaders – frequently targeted. According to data from Institute of Studies for Development and Peace (Indepaz), 188 social leaders were assassinated in 2023. This violence continued in 2024, with 173 killings.

Since taking office, President Petro’s administration has taken a different approach from that of his predecessor, Iván Duque. During the period under review, the use of force to manage demonstrations has noticeably declined. In response to recommendations from international human rights organizations and high court rulings mandating measures to prevent and punish human rights violations during protests, the government has enacted decrees, issued directives and supported new legislation to safeguard the rights of protesters. In August 2024, a draft Statutory Law for the Guarantee of Social Protest and Public Demonstration was submitted, representing a consolidated version of two earlier proposals. At the close of the review period, it was moving through the legislative process. The government also created an interinstitutional committee to investigate the human rights violations that occurred during the massive wave of protests, also known as the National Strike, in 2021. Despite these institutional advances, effective implementation of the changes remains a challenge.

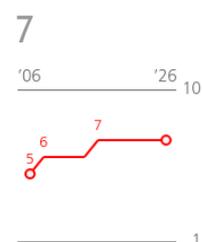
Colombia’s legal framework supports the freedoms of expression and information. Direct interference and state restrictions are uncommon. However, journalists continue to face significant challenges. Those investigating sensitive issues such as corruption, environmental crimes and violent conflict, as well as the nexus between political power, business and organized crime, are particularly vulnerable to harassment, threats and violence. The country’s low ranking (119th out of 180 countries) on Reporters Without Borders’ 2024 World Press Freedom Index underscores this challenging landscape. Colombia is regarded as one of the most dangerous countries on the continent for journalists. The Foundation for the Freedom of the Press (FLIP) documented more than 1,000 attacks against journalists in 2023 – 2024.

The relationship between President Petro and segments of the media has been marked by significant tension. The president has used his X (formerly Twitter) account to criticize and discredit outlets and journalists he perceives as adversaries, and he has sometimes reiterated these criticisms in official speeches. President Petro has been highly critical of the historical pro-establishment leanings of the mainstream media, claiming that these organizations promote disinformation. As a strategy to counterbalance the traditional media’s dominance, the current government has created new outlets and increased the budget of the public media system. This has led to growing concerns about the potential misuse of public media for the dissemination of government propaganda.

#### Association / assembly rights



#### Freedom of expression



Media ownership in Colombia is highly concentrated, with a small number of powerful economic groups controlling most television and radio outlets. These groups include Grupo Aval, the Ardila Lülle Organization, the Char brothers, the Santo Domingo family and the Gilinski Group. Despite this media concentration, digital technologies have enabled the rise of alternative media and investigative journalism. Many regional media outlets' financial reliance on public or corporate funding constrains their editorial independence and critical reporting.

The constitution grants the right to access public information. Through a mechanism called the “right to petition” (derecho de petición), citizens may request information, and public institutions must respond within a time frame of 10 to 30 days, depending on the type of information requested.

### 3 | Rule of Law

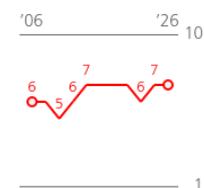
The 1991 constitution provides for the separation of powers among the executive, legislative and judicial branches. The law includes autonomous constitutional and electoral institutions. The Attorney General's Office, the Ombudsman's Office and the Comptroller General's Office are independent oversight bodies. Although a system of mutual checks and balances is in place, the balance of power varies in practice according to the political group in power.

Instances of executive overreach are far from rare. During the review period, President Petro has attempted to interfere with the judicial and legislative branches and with oversight bodies through statements, criticisms and calls for demonstrations. A notable example occurred in February 2024, when the president urged supporters to mobilize as the Supreme Court deliberated on the selection of a new attorney general. This move was widely seen as an attempt to pressure the court into a decision favoring the government. As President Petro's administration has been increasingly frustrated in its push for radical reforms, finding itself unable to secure their approval and implementation, tensions with other branches of power have risen and calls to bypass norms and procedures have increased in frequency.

Colombia's judiciary is an institutionally differentiated branch and operates with a high degree of autonomy. However, corruption, operational inefficiencies and a restricted territorial reach are long-standing problems that hinder the judiciary's effectiveness, impede access to justice, and erode public trust. With an average score of 0.4 in 2024, Colombia ranked 91st out of 142 countries on the WJP Rule of Law Index. The 2023 Political Culture Survey indicated that 79.8% of survey respondents reported little or no trust in judges and magistrates. These results align closely with the 2024 Latinobarometer survey, in which only 23% of respondents reported having a lot or some confidence in the judiciary.

Separation of powers

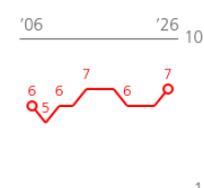
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Independent judiciary

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President Petro signed a new law to reform the Statute on the Administration of Justice in October 2024. This law aims to modernize and improve the justice system by enhancing access to justice, ensuring transparency and gender equality in the selection of high court judges, increasing citizen participation, reducing case backlogs, and further integrating information and communication technologies in order to boost efficiency. Notably, the law establishes access to justice as an essential public service.

As of January 2025, draft legislation to reform the criminal justice system is advancing through the legislative process. The proposed legislation seeks to streamline the legal framework in order to expedite criminal proceedings and advance restorative justice principles. A key feature of the bill is the inclusion of reparation mechanisms that would allow defendants to receive reduced sentences and other benefits in exchange for compensating victims.

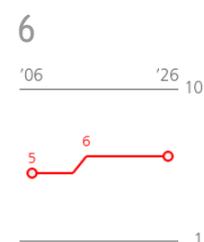
The 2016 peace agreement with the FARC established the Special Jurisdiction for Peace (JEP) as part of the transitional justice system. Following a macro-criminal approach, the JEP investigates and prosecutes war crimes and crimes against humanity committed by former members of the FARC-EP and by members of the public security forces.

Individuals who engage in corrupt practices and illicit activities are generally subject to prosecution. However, significant obstacles hinder the prevention and prosecution of such acts, including inconsistent law enforcement, delays in investigations and legal proceedings, political loopholes, and limited public accountability. Corruption and clientelism remain entrenched in Colombian politics, and citizens routinely identify corruption as one of the most urgent societal issues. In the 2024 Latinobarometer survey, 64% of respondents said they believed that little to no progress had been made over the previous two years in reducing corruption within state institutions.

Colombia's legal and institutional framework to address abuse of authority and corruption in public office has been expanded and strengthened over the past few decades. Recently, Law 2195 of 2022, known as the Law on Transparency, Prevention and Fight Against Corruption, introduced a new legal framework to enhance prevention measures, strengthen sanctions and bolster institutional capacity to combat corruption. Key provisions include stricter liability for legal entities involved in corruption, including foreign firms; faster asset forfeiture procedures; and compensation for victims. The law also mandates the creation of unified databases to facilitate information-sharing among public entities responsible for investigating and sanctioning corruption, money-laundering and tax evasion.

Despite President Petro's stated commitment to fighting corruption, he and his cabinet members have been implicated in scandals. One of the most prominent cases involves the misallocation of funds from the National Disaster Risk Management

Prosecution of  
office abuse



Unit (Unidad Nacional para la Gestión del Riesgo de Desastres, UNGRD). Although the case is still under investigation, authorities suspect that contracts intended for emergency aid in disaster-stricken municipalities were diverted. Both the awarding of contracts and a portion of the diverted funds were used to secure the endorsement of certain reforms by members of Congress. Several high-ranking officials, including former Finance Minister Ricardo Bonilla, former National Intelligence Directorate (DNI) director Carlos Ramón González, former presidential adviser on regional affairs Sandra Ortiz, and five members of Congress have been charged in connection with the case.

In addition, investigations into alleged irregularities in financing the presidential campaign are ongoing. One case involves Nicolás Petro, the president's son, who, as a congressional representative for the department of Atlántico, allegedly accepted and appropriated money that dubious businessmen and a convicted drug trafficker donated to Petro's 2022 presidential campaign.

Colombia's legal framework provides avenues for enforcing civil rights. Through the "tutela" mechanism, citizens can swiftly seek protection of their fundamental rights. The Constitutional Court is an independent body with a strong record of upholding human rights. The offices of the inspector general and the ombudsperson are responsible for monitoring and protecting human rights. Despite these legal safeguards and institutions, civil rights are not fully respected in Colombia. Violence by both state and non-state actors remains the greatest threat. Historically, the state has both been incapable of providing physical security to the entire population and has itself been a source of violence against marginalized groups.

The persistent killings of community activists, human rights advocates and former FARC combatants are particularly concerning. These acts of violence are generally attributed to non-state armed groups. However, experts and human rights advocates have highlighted the role of murky alliances between local elites, state agents and criminal actors in perpetuating these crimes.

Violence by security forces remains a troubling issue. According to the U.S. Department of State's 2023 Human Rights Report, police and military forces have committed human rights violations, including arbitrary killings; torture; and cruel, inhumane or degrading treatment or punishment. However, the current government has promoted a paradigm shift in security and defense policy that emphasizes the protection of human rights and has led to a notable decrease in violence against civilians perpetrated by the armed forces.

While discrimination against ethnic and gender minorities, as well as peasants, remains widespread, the current government has made fighting inequality a centerpiece of its agenda and consequently has introduced several measures to address these issues. A paramount initiative on this front was the creation of the Ministry for Equality and Equity in 2023. Yet the life of this institution will be short,

#### Civil rights

5

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as the Constitutional Court declared the law underpinning its creation to be unconstitutional. The ruling's effect was postponed for two years, allowing the ministry to remain active until 2026. Likewise, the National Development Plan 2022 – 2026 includes a section on “Differential Actors for Change” with a wide range of measures to address violence and discrimination against women, the LGBTQ+ community, children, ethnic minorities, people with disabilities and peasants.

Colombia is home to more than 2.8 million Venezuelan migrants, more than in any other country. This group, particularly women and children from lower-income strata, is subject to discrimination and violence and faces substantial difficulties accessing public services.

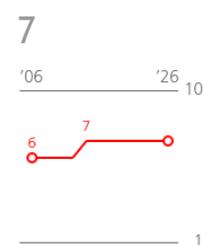
#### 4 | Stability of Democratic Institutions

Colombia has a set of stable, functional formal democratic institutions. However, limited state capacity, corruption, state capture, and friction between different branches and levels of government undermine their effectiveness. During the review period, tension and mistrust grew between the executive and other public branches. Petro's ambitious reform agenda has stalled largely because it lacks support in Congress and faces scrutiny from the high courts and other oversight bodies. In response, the president has intensified his criticism of other branches of power and resorted to direct-democratic and extra-institutional mechanisms, including calling on his constituents to take to the streets, as a means of bypassing the other branches and gaining approval for his reforms. This is a troubling trend because it undermines the legitimacy of democratic institutions and processes. Petro has also periodically floated the idea of creating a constituent assembly as an alternative means of advancing his planned agenda while circumventing opposition.

The Colombian governance system combines a strong central government with a decentralized framework, delegating administrative, fiscal and political authority to subnational and local governments. This arrangement supports democratic institutions at various subnational levels, particularly the departmental and municipal levels. Despite this functionality, significant disparities persist with regard to state presence, policy implementation and service delivery across municipalities.

Conflicts occasionally arise between executive authorities (governors or mayors) and subnational legislatures, as well as between subnational and national governments. During the review period, there were noteworthy disagreements between the president and the mayors of several of Colombia's largest cities, including Bogotá, Medellín and Barranquilla.

Performance of democratic institutions



All relevant actors recognize the legitimacy of democratic institutions. Landmark developments – including th

e 2016 peace agreement with the FARC and the group’s transformation into a political party, as well as the first transfer of government responsibility to the left-wing camp – have marked significant steps toward democratic consolidation. However, key actors disagree about the core aspects of a democratic regime beyond its formal components, especially regarding the state’s role in the market and its responsibilities in the welfare system. Moreover, the rise of authoritarian models in the region, particularly in El Salvador under Nayib Bukele, has been regarded as a model worth emulating among some politicians who aim to score political points by advocating hard-line security policies.

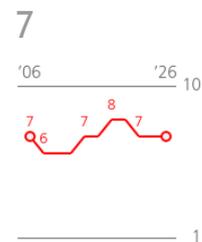
Rebel groups and organized-crime actors pose serious threats to democracy and citizens’ rights. However, they do not seek to overthrow the government or replace the state. Some of these actors are engaged in peace talks with the current government within the framework of the country’s democratic institutions. However, there appears to be little hope that these negotiations will effectively bring about conditions of peace in the short term.

## 5 | Political and Social Integration

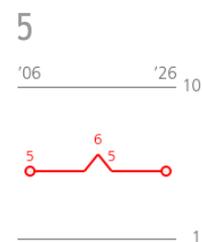
A functioning and competitive party system exists, but it has become increasingly fragmented. In the 2019 regional elections, 16 officially recognized political parties participated, but this figure had more than doubled to 35 by 2023. Although these parties nominally present distinct policy platforms, they frequently function as resource-driven political machines that support candidates for particularistic purposes rather than advancing clear programmatic agendas. Because of a lack of social rooting, along with the persistence of corruption and clientelism, political parties tend not to articulate social interests. Consistent with previous trends, public dissatisfaction and mistrust toward political parties remain extremely high. In the 2024 Latinobarometer survey, only 35% of the population agreed with the statement that “without political parties, there cannot be democracy.” Only 9% of respondents reported having a lot or some trust in political parties. Similarly, the 2023 Political Culture Survey found that 55% of participants expressed no trust in political parties, while only 6.6% reported a high level of trust. Political reforms, including measures to strengthen internal party democracy, are among the priorities of the Petro government. However, Congress rejected the government’s proposed legislation on this issue.

The period under review saw increased levels of polarization. Some experts have noted growing radicalization among right-wing sectors in recent years. The government’s increasingly confrontational stance toward other branches of power and political and economic actors has reinforced this dynamic. With new presidential elections approaching, polarization is likely to deepen in the coming years.

Commitment to democratic institutions



Party system



The country's network of interest groups reflects a spectrum of varied, often opposing social interests and values, and has significant capacity to mediate between society and the political system. A wide range of business associations represents the interests of economic elites. Trade unions represent formal and organized labor. Various organizations operating at the national and local levels represent the interests of peasants, women, gender minorities, victims of violence, and Indigenous and Afro-descendant populations. In addition, numerous interest groups focus on social, environmental and human rights-related matters.

Historically, wealthy businesses and private associations have dominated, enjoying privileged access to the state and strong bargaining power. In contrast, representatives of unions and marginalized populations have been subjected to violence. For instance, according to data from the NGO Escuela Nacional Sindical, there were at least 15,317 violations of life, liberty and integrity committed against trade unionists in the period from January 1, 1973 to December 31, 2020. These included 3,277 homicides, 428 attempted assassinations, 253 forced disappearances, a total of 7,541 death threats and 1,952 forced displacements.

The arrival of the first leftist government, predominantly supported by the so-called popular sectors, has transformed the traditional power dynamics between the state and interest groups. Leaders of social movements and grassroots initiatives have been appointed as officials in state institutions. Given elites' historically disproportionate influence in politics, these changes mark progress in the inclusion of traditionally marginalized sectors. However, the government has often prioritized ideological alignment over competence and merit when making appointments.

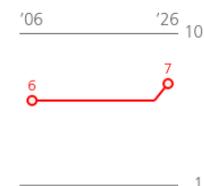
At the same time, the relationship between President Petro's government and economic elites, including business associations, has varied across sectors, alternating between collaboration and contentiousness.

Like a number of Latin American countries, Colombia shows a gap between high levels of acceptance and recognition of democratic institutions on the one hand and very low levels of satisfaction with their actual performance on the other. Survey data also show contrasting trends in support for democracy and attitudes toward authoritarianism in recent years. In the 2023 Political Culture Survey, 76% of respondents said that living in a democratic country was very important. According to the 2024 Latinobarometer report, 48% of Colombians agreed that democracy was preferable to any other form of government, a five-percentage-point increase compared with the 2020 survey. Furthermore, 61% of respondents said they either strongly agreed or agreed that, despite some problems, democracy was the best system.

At the same time, acceptance of authoritarianism under certain circumstances has risen. The percentage of people who agreed that an authoritarian government could sometimes be preferable to a democratic one increased from 10.7% in 2020 to 15%

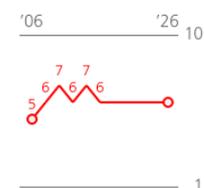
### Interest groups

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### Approval of democracy

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in 2024. Similarly, in the 2023 Latinobarometer survey, the share of respondents who said they wouldn't mind an undemocratic government taking power if it could solve the country's problems rose to 43.1% from 35.5% in 2020.

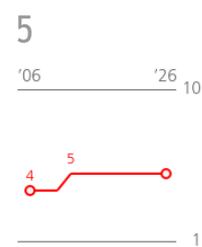
The scope of discontent with democracy remains significant. The 2024 Latinobarometer reports that only 20% of respondents were either "very satisfied" or "satisfied" with democracy's performance. Similarly, the 2023 Political Culture Survey found that only 18.2% of respondents were satisfied with democracy. Meanwhile, 33.7% said they were "very dissatisfied," and 44.2% described themselves as neither satisfied nor dissatisfied.

Levels of trust in political institutions generally remain low. According to the 2024 Latinobarometer survey, only 22% of respondents expressed "a lot" or "some" trust in the government. Trust in Congress (17%) and the judiciary (23%) was even lower. In contrast, the church (59%) and the armed forces (49%) remain the most trusted institutions in the country.

There is a robust network of self-organized groups, civil society organizations and associations operating at national and local levels across the country. Indigenous and Afro-descendant communities, as well as peasant groups, have a strong record of organization and community-based structures. However, institutional weaknesses, coordination challenges and adverse security conditions continue to hinder the progress and engagement of organizations and associations.

Interpersonal trust has shown no significant change, and overall levels remain low. The 2024 Latinobarometer reported that only 15% of respondents said that most people could be trusted. In turn, the 2023 Political Culture Survey found that 56% of respondents said their trust and support networks were predominantly composed of family members. Levels of trust were highest toward family members (94.3%), followed by friends (40.9%), colleagues (30.8%) and neighbors (19.8%). In contrast, only 6% expressed trust in people of other nationalities, and a mere 5.4% reported trusting strangers.

Social capital



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Colombia has made progress in providing public goods and reducing poverty over the past few decades. The country has also committed to combating social and economic exclusion as well as discrimination. Consequently, intersectional approaches have increasingly been integrated into legislation and policies. The UNDP Human Development Report 2023 – 2024 classifies Colombia as having a high level of human development, with a score of 0.758 (rank 91). Except for 2020 and 2021, the country's Human Development Index (HDI) performance has shown a positive trend since 1990. Between 1990 and 2022, Colombia's HDI score increased by 23.5%.

Nevertheless, Colombia remains a deeply unequal society with significant levels of poverty. Socioeconomic barriers are structurally ingrained. According to 2021 data from the World Inequality Database, the country has the highest levels of inequality in Latin America. In 2023, monetary poverty affected 33% of the population, while 11.4% lived under conditions of extreme monetary poverty. According to data from the National Administrative Department of Statistics (DANE), the rate of multidimensional poverty decreased from 12.9% in 2022 to 12.1% in 2023. Despite the impact of the COVID-19 pandemic in 2020, multidimensional poverty rates have steadily decreased in recent years. Yet striking differences between urban and rural areas persist. In 2023, the incidence of multidimensional poverty was 8.3% in urban areas and 25.1% in rural areas.

Marginalized groups, including Indigenous communities, Afro-Colombians, peasants, migrants, women and children, and victims of armed conflict, face significant challenges in exercising their economic and social rights and experience poverty rates higher than the national average. According to DANE's 2023 data, the rate of multidimensional poverty was 37.1% for Indigenous groups, 21.7% for Afro-Colombians, 21.8% for peasants and 37% for Venezuelan migrants. Similarly, extreme monetary poverty levels are higher for Indigenous groups (35.5%) and Afro-Colombians (17.3%). A 2023 World Food Programme (WFP) report found that households affected by violence experience higher levels of food insecurity. The country's score on the Gender Inequality Index was 0.392 in 2022, a decrease of 0.024 from 2021. Poverty and socioeconomic opportunities and barriers vary significantly across subnational units.

Question  
Score

Socioeconomic  
barriers

5

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Economic indicators		2021	2022	2023	2024
GDP	\$ M	318524.6	345632.5	366291.8	<b>418542.0</b>
GDP growth	%	10.8	7.3	0.7	<b>1.7</b>
Inflation (CPI)	%	3.5	10.2	11.7	<b>6.6</b>
Unemployment	%	13.9	10.5	9.6	<b>9.6</b>
Foreign direct investment	% of GDP	3.0	5.0	4.6	<b>3.4</b>
Export growth	%	14.6	12.5	3.1	<b>2.0</b>
Import growth	%	26.7	24.0	-9.9	<b>4.2</b>
Current account balance	\$ M	-17949.4	-20878.7	-8295.9	<b>-7225.4</b>
Public debt	% of GDP	64.4	61.3	55.5	<b>61.2</b>
External debt	\$ M	172155.3	184402.8	197505.2	-
Total debt service	\$ M	25360.2	27204.9	28562.3	-
Net lending/borrowing	% of GDP	-7.5	-5.3	-2.0	-
Tax revenue	% of GDP	14.4	15.3	17.6	-
Government consumption	% of GDP	16.0	14.0	14.7	<b>14.7</b>
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	6.5	5.3	5.4	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	3.2	2.8	2.9	-

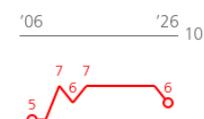
Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

A relatively robust institutional framework establishes and supports the fundamentals of market-based competition. However, entry barriers, bureaucratic red tape, a lack of transparency, weak enforcement of the rule of law, and rising statist policies hinder the free functioning of the market economy. Since 2020, Colombia has experienced a decline on the Heritage Foundation’s Index of Economic Freedom. With a score of 59.2 in 2024, the country ranked 84th of 184 nations, slipping from the “moderately free” category to “mostly unfree.” Colombia performs particularly poorly in the areas of property rights, government integrity and fiscal health.

Market organization

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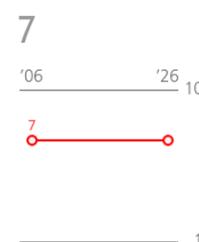
The informal economy represents a substantial share of Colombia's economy and labor market. According to International Labor Organization (ILO) data, the informal economy accounted for 55.9% of total employment in 2023. Informality is more prevalent among women, older and younger workers, and low-skilled individuals. Data for August – October 2024, reported by the National Administrative Department of Statistics (DANE), indicate that 55.6% of Colombia's population derives their livelihoods from the informal economy. In the country's 23 cities and metropolitan areas, 42.5% of the active workforce is in informal employment.

President Petro pledged to initiate a socioeconomic transformation, including a significant increase in the state's role in the economy. Uncertainty about the reforms' depth, content and timing has affected investment levels. For example, the government's decision to halt new licenses for oil and gas exploration has significantly affected one of Colombia's most critical economic sectors. Additionally, Petro's proposals to overhaul the institutional framework, for instance through the potential establishment of a Constitutional Assembly, have further contributed to instability. According to data from the central bank, the country received \$3.27 billion in foreign direct investment (FDI) during the third quarter of 2024, equivalent to 3.1% of quarterly GDP. This figure represents a \$568 million decline compared to the same period in 2023. Furthermore, private investment declined by 9.5% in 2023 and continued to fall in 2024.

Antitrust regulation was introduced in 1959. The principle of free competition was enshrined in Article 333 of the 1991 constitution. The country has a well-established and strong competition framework based on Law 962 of 2005 and Law 1340 of 2009. The agency responsible for enforcing competition law and protecting consumer welfare is the Superintendency of Industry and Commerce (SIC). The SIC is a member of the International Competition Network (ICN) and the OECD Competition Committee. However, the SIC's enforcement activities are inconsistent due to limitations on its oversight as well as political dynamics.

Law 2195 of 2022 on Transparency, Prevention and the Fight Against Corruption introduced amendments and increased penalties for anti-competitive practices. That same year, the Colombian national government issued Decree 253/2022, which updated the regulations governing the antitrust leniency program, known in Colombia as the Collaborative Benefits Program (CPB). This program applies to administrative investigations conducted by the Superintendency of Industry and Commerce (SIC) into anti-competitive behavior. The amendments aim to strengthen the effectiveness of the CPB. Under the revised rules, individuals or entities that promote or instigate anti-competitive conduct are no longer eligible for benefits under the program. The decree also modifies the benefits available under a leniency agreement with the SIC, making them contingent on the timing and order of an application, specifically on whether the applicant is the first, second or third entity to come forward.

#### Competition policy



Colombia embarked on comprehensive economic reforms in 1990 – 1991, including a process of significant trade liberalization that continued throughout the 1990s and 2000s. Changes included tariff reductions, the removal of prior-license requirements and the simplification of customs procedures. Colombia has been a member of the World Trade Organization (WTO) since 1995. The country has 17 preferential trade agreements with 65 countries. According to the WTO, Colombia's most-favored-nation (MFN) applied tariff rate in 2023 was 6.7%, with rates of 14.1% for agricultural goods and 5.7% for non-agricultural goods. Despite efforts to streamline the tariff regime, overlapping tariff applications persist. There are also many non-tariff barriers (153, according to the 2022 Economic Freedom Index). The country's score in the Trade Freedom category of the Economic Freedom Index has declined since 2020, reaching 72.6 out of 100 in 2024.

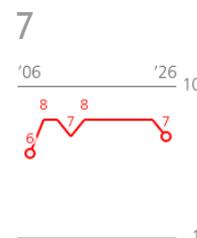
The government's agenda promotes protectionist measures both as a strategy to protect the local economy and foster industrialization and as a necessary step to ensure food security and sovereignty. President Petro committed to introducing drastic changes in international trade practices, such as renegotiating free-trade agreements and revising tariff policies. However, few, if any, noteworthy results have been achieved so far.

The institutional foundations of the banking system and capital markets are solid. The Financial Superintendency of Colombia (SFC) oversees financial institutions. In recent years, Colombia has strengthened its financial regulatory instruments, including by implementing Basel III standards in January 2020 and adjusting regulatory schemes to transform the banking system. However, a 2022 IMF report identifies significant room for further improvement in the SFC's operational independence.

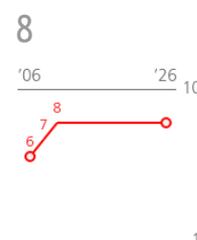
Colombia's financial and banking sector is characterized by market concentration and a significant presence of conglomerates that hold assets both in financial and non-financial companies. The five largest conglomerates control 60% of the financial sector and 80% of the banking sector. Colombia has experienced an expansion of digital operators in recent years. As of 2023, the country was home to the third-largest fintech hub in Latin America, featuring 369 fintech companies. Colombia has made progress in developing an appropriate regulatory and institutional framework for this sector. For example, Decree 1297/2022 establishes provisions for the development of an open financial architecture, or open finance, aimed at increasing competition, inclusion and efficiency in the provision of financial services. However, this process remains in an early phase, and many areas and activities still lack clear regulation.

In 2022, banks' capital-to-assets ratio was 10.7%, while non-performing loans accounted for 2.5% of the sector's total gross loans. The total amount of domestic credit extended to private sector entities reached 41.96% of GDP in 2023. The central bank's Financial Stability Report for the second half of 2024 concluded that Colombia's financial system was stable and had adequate levels of capital and liquidity to face materializing risks at both the individual and consolidated levels.

#### Liberalization of foreign trade



#### Banking system



## 8 | Monetary and fiscal stability

The central bank (Banco de la República) is an independent, autonomous institution responsible for monetary policy and foreign exchange regulations. During the period under review, the central bank maintained a tight monetary policy as a means of supporting price stability and curbing inflation. After a period of elevated rates, inflation steadily declined, falling from a peak of 13.3% in March 2023 to 5.2% by the end of 2024. This downward trajectory is expected to continue and reach the 3% target by the end of 2025. However, inflation overall remains subject to significant uncertainties. As the inflation rate declined, the central bank cut the policy interest rate to 9.75% in November 2024.

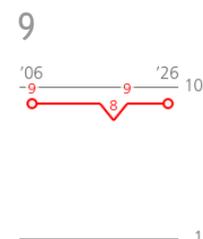
Following significant depreciations in 2021 and 2022, the Colombian peso appreciated by approximately 21% year over year against the U.S. dollar in nominal terms in 2023. In 2024, it experienced considerable volatility, culminating in a 5.6% depreciation by the third quarter. According to the World Bank, Colombia's real effective exchange rate index stood at 66.68 in 2023 (with 2010 = 100).

There have been disagreements between the central bank, the current government and certain business associations over the effectiveness of tight monetary policy in combating inflation. President Petro has long expressed skepticism about the central bank's monetary-policy independence. In January 2025, the president appointed two new members to the bank's board of directors. With these appointments, the president has now named four of the seven board members. This new configuration could represent a more diverse range of perspectives in an institution traditionally dominated by orthodox approaches. At the same time, it has raised questions about whether the board's future decisions will align more closely with the government's preferences.

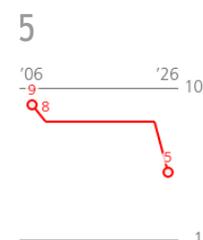
Colombia has a record of commitment to macroeconomic stability. Since implementing structural reforms in the 1990s, the country has prioritized consolidating fiscal and debt management policies. However, Colombia has also faced challenges with regard to maintaining fiscal stability and meeting fiscal rule targets. Structural weaknesses, including limited tax capacity, budget inflexibility and dependence on oil revenues, have been exacerbated by the effects on public expenditure of large migration flows from Venezuela, as well as by the lingering effects on public finances of the COVID-19 pandemic.

During the period under review, President Petro's agenda of social welfare expansion and redistribution – in contrast to the dynamics of tax policy and its legislative framework – has diminished budgetary stability. The government faced significant challenges in securing necessary resources for the public budget because of the gap between spending and tax collection. Fiscal policy has been a source of controversy and tension between the executive and other branches of government. The

### Monetary stability



### Fiscal stability



Constitutional Court's decision to invalidate parts of the tax reform approved in 2022 dealt a severe blow to public finances, eliminating revenue sources the government had relied upon and leading to a fiscal shortfall. Consequently, to comply with the fiscal rule in 2024, the government had to implement austerity measures, resulting in cuts to the public budget for that year. Although no official balance has been provided, estimates for the 2024 budget deficit range from 5.3% to 8.4%, well above the fiscal rule target of 4.5%.

Securing approval for the 2025 public budget proved extremely challenging. In September 2024, Congress rejected both the government's central and alternative budget proposals, citing excessive spending relative to available resources. Two months later, matters worsened when Congress also rejected a proposed tax reform intended to fund the budget.

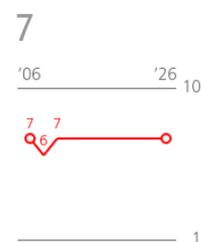
With no legislative agreement in sight, the government enacted the budget by decree in December 2024, setting total spending at \$127.75 billion. However, experts have raised concerns about its feasibility, noting that projected tax revenues are inconsistent with the country's fiscal and economic conditions. According to the Comité Autónomo de la Regla Fiscal (CARF), a fiscal adjustment of COP 52 trillion – equivalent to 2.9% of GDP – is needed to ensure compliance with the fiscal rule.

According to the Office of the Comptroller General, Colombia's public sector debt amounted to 64.9% of GDP in 2023. As of December 2024, the central bank reported that Colombia's external debt had reached \$201.76 billion, or 48.18% of GDP. Debt service amounts to 4.5% of GDP. In mid-2024, the Moody's credit rating agency maintained Colombia's investment-grade rating, but changed the outlook from stable to negative. The country lost its investment-grade status with S&P and Fitch in 2021.

## 9 | Private Property

Property rights and regulations governing acquisition, use and sale are generally well defined in principle. However, their implementation and enforcement are undermined by systemic deficiencies, judicial and administrative backlogs, limited access to state-based dispute resolution mechanisms, corruption, and the persistent use of violence for the purposes of dispossession and appropriation. Additionally, territories with special circumstances – whether due to de facto conditions or specific legal classifications such as natural parks and conservation areas – often face poorly defined or contradictory legal frameworks regarding property rights. While these issues exist to some extent in urban areas, they are particularly acute in rural areas. In the 2024 International Property Rights Index, Colombia was ranked 79th out of 125 countries with a score of 4.57. The country's physical property rights subindex score dropped by 0.098 points compared to the 2023 edition, to 4.657.

### Property rights



Land concentration and tenure have long been central issues in Colombia's armed conflict, with rural populations frequently subjected to displacement and coercive dispossession. An estimated 8 million hectares – around 14% of the national territory – have been acquired illegally. Colombia also has one of the world's largest populations of internally displaced persons (IDPs); as of December 2024, the government's Victim's Unit reported a population of 8,772,117 IDPs. In response, the government launched a land and property restitution program in 2011 under the Victims and Land Restitution Law (Law 1448/2011, extended by Law 2078/2021). The Land Restitution Unit (URT) has designated roughly 6.2 million hectares for restitution, but the process has faced major hurdles.

Under President Petro, reforms were introduced to streamline and accelerate the approval of claims. Previously, up to 65% of claims were rejected, largely because of bureaucratic obstacles. By contrast, the URT reported a 72% approval rate in 2024. Once approved, claims go to court, where they are supposed to be resolved within 120 days. However, the judicial system remains a major bottleneck, with only 1% of cases meeting this deadline. Efforts to pass legislative reforms to improve efficiency and access have so far been unsuccessful.

Land reform is a cornerstone of the government's agenda. In October 2022, the government finalized an agreement with the Colombian Federation of Cattle Ranchers (FEDEGAN) to purchase 3 million hectares for a national land fund. However, this initiative has faced several challenges. In a speech in May 2024, President Petro acknowledged that his administration would likely purchase only 500,000 of the 3 million projected hectares by the end of his term. By the end of 2024, the National Land Agency (Agencia Nacional de Tierras, ANT) reported that the government had formalized land tenure for 1.2 million hectares. On July 20, 2024, Congress approved the Statutory Law of Agrarian and Rural Jurisdiction, establishing the legal framework for a new judiciary dedicated exclusively to resolving agrarian conflicts. This represents a significant step toward strengthening the institutions responsible for safeguarding property rights. However, a complementary law outlining the structure and operational procedures of this jurisdiction has not yet been enacted.

The private sector is a primary engine of the economy. The election of Colombia's first leftist president in 2022 raised concerns about the relationship between the state and private enterprise, particularly following President Petro's announcements of structural reforms and a more active role for the state in the market. While Petro and members of his cabinet have consistently emphasized that the government views the private sector as a key ally, the relationship has been marked by tensions and disagreements. Nevertheless, legal safeguards remain in place. The government has not attempted to nationalize industries arbitrarily.

The government's economic plan prioritizes the tourism, agriculture, energy, transportation and infrastructure sectors with the aim of reducing dependence on hydrocarbons. Consequently, some policy decisions, such as suspending new oil and

Private enterprise

8



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gas exploration contracts in 2023, have created uncertainty among private companies and investors. Private investment declined by 9.5% in 2023. Although reports from the second quarter of 2024 showed a modest recovery of 1.7%, investment levels remain below those recorded in 2019 – 2022. Additionally, the government’s reluctance toward public-private partnerships (PPPs) has slowed the development of projects in sectors including infrastructure, energy and health. At the same time, the government’s efforts to diversify the economy have created new opportunities for investment in the tourism and energy sectors.

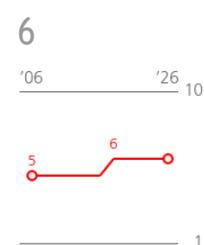
In line with OECD guidelines on the corporate governance of state-owned enterprises, the Colombian government established Grupo Bicentenario in 2019. This holding company oversees 13 wholly and partially state-owned enterprises. The privatization of state companies is regulated by Article 60 of the constitution and Law 226 of 1995. Privatization processes are conducted in line with market principles; however, the issue is often subject to political contestation. Colombia began privatizing state-owned enterprises in the early 1990s. To date, more than 20 major companies have been either fully or partially privatized. President Petro has expressed strong opposition to privatization, leading to conflicts with local governments on this matter. For example, the president sharply criticized the Medellín government’s 2024 decision to sell the shares held by publicly owned multi-utility EPM in telecommunications firm Tigo-Une. Despite these tensions, the processes have proceeded within the legal framework, respecting the competencies of each branch and level of government.

## 10 | Welfare Regime

Social safety nets are in place but do not cover all risks for the entire population. Successive Colombian governments have increased public social spending and developed programs to alleviate poverty and improve health care and education coverage. However, asymmetries in infrastructure and the quality of service provision across the country, as well as corruption, clientelism and funding constraints, hamper the development of the welfare system. Public health and education are provided under a universal model, whereas access to benefits such as paid parental leave and unemployment support is linked to social security contributions. Eligibility for noncontributory benefits in the form of subsidies and social transfers depends on socioeconomic criteria that primarily target individuals living in poverty or extreme poverty.

The restructuring of the welfare regime is central to Petro’s agenda, and the government has made substantial investments to advance major reforms. However, these efforts have not achieved significant improvements in either the range or scope of social benefits. As part of its poverty-reduction policies, the government introduced the Renta Ciudadana program, which consolidates conditional and unconditional monetary transfers into a single streamlined system.

Social safety nets



In June 2024, Congress passed a major pension reform law, the first significant overhaul since the 1990s. As of the close of the review period, the law was under review by the Constitutional Court. If approved, it was to take effect on July 1, 2025. The new pension system is structured around four pillars: first, a solidarity pillar for those in extreme poverty; second, a semi-contributory pillar for those with at least 300 weeks of contributions but no full pension; third, a contributory pillar for full pensions, with contributions split between a state-run and a private component based on income; and fourth, a voluntary savings pillar for additional contributions.

With only 2 million of Colombia's 7 million older adults receiving a pension, the reform aims to secure income or a pension for all. It also incorporates a gender-sensitive approach, granting women fewer required contributions and additional credits for children.

Colombia's health care system has received international recognition; however, it suffers from structural issues, including financial strain, corruption and inequalities, with remote areas most severely affected. The government has committed to reforming the system, but Congress rejected its proposal in April 2024. In response, the executive has implemented changes through executive decrees, increasing state oversight and diminishing the role of so-called health promotion entities (EPS). Many EPSs face intervention or liquidation due to financial mismanagement and corruption. By December 2024, seven EPSs serving more than 25 million people were under intervention. Disputes persist over the causes of their struggles, with the government blaming inefficiency and corruption while the EPSs themselves point to delayed payments and funding shortfalls. Government decisions regarding health care administration have worsened the situation, increasing instability in a system already struggling with structural issues.

The legal framework guarantees equal access to fundamental rights and social services; it also includes provisions that prohibit and penalize exclusion. The constitution prohibits discrimination based on race, gender, religion, language or political beliefs and establishes special measures to safeguard ethnic minorities. However, in practice, access to opportunities varies across societal groups and throughout the country. Indigenous groups, Afro-Colombian communities, women, peasants, and residents of urban and rural peripheries experience marginalization and discrimination. Venezuelan migrants encounter additional challenges in finding employment. During the review period, a significant development was the 2022 implementation of the National Gender Equity Policy to promote gender equality and secure women's rights across economic, social, cultural and health spheres, while also ensuring protection from gender-based violence. The initiative sets a goal of achieving these objectives by 2030.

Colombia was ranked 45th out of 146 countries in the 2024 Global Gender Gap Index, with a score of 0.745. This represented an improvement of 30 spots since 2022, but a decline of three relative to 2023. According to data from 2020, the country excels in

Equal opportunity

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educational attainment, ranking among the top performers globally with nearly equal literacy rates of around 95% among women and men for the population aged 15 years and older, and an enrollment ratio of over 90% at the primary and secondary education levels. The share of women enrolled in higher education surpasses that of men. However, women remain under-represented in public office and in senior administrative positions. Despite mandated gender quotas for elections, in the 2023 regional elections women made up 39% of candidates but only 24.94% of those elected. In 2023, women held 40.95% of the country's top administrative roles and 49.15% of other decision-making positions but only 29% of top judicial positions. Women face employment barriers, particularly in rural areas. In October 2024, women's labor force participation rate was 52.3%, with an employment rate of 42.3% and an unemployment rate of 11.6%, compared with 7.6% for men.

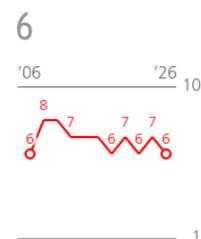
Afro-Colombian and Indigenous populations face greater barriers to education, employment and political participation. An analysis by DANE, based on data from 2019 – 2021, found that Indigenous people, especially women, have lower education attainment levels than the Afro-descendant population and the rest of the Colombian population. The analysis also noted that areas with the highest concentration of human capital tended to have smaller populations of ethnic minorities. In addition, Indigenous and Afro-descendant populations were primarily employed in precarious, informal jobs, it stated.

## 11 | Economic Performance

Following a strong recovery from the COVID-19 crisis, Colombia's economy saw moderate growth in 2023 and 2024. The economy expanded by 7.3% in 2022, but growth slowed to 0.6% in 2023. In December 2024, the central bank predicted a growth rate of 1.9% for 2024. Tight macroeconomic policies, slower global growth, heightened borrowing costs, a decrease in both external and internal demand, and lower levels of investment are among the key factors behind this subdued growth. According to OECD projections, GDP is forecast to return to its low potential growth rate of 2.8% in 2025.

Foreign direct investment (FDI) experienced a notable increase in 2022, rising from 3% of GDP in 2021 to 5% of GDP. It slightly decreased in 2023, reaching 4.8% of GDP, and shrank by 17.6% in 2024, totaling \$10.8 billion. The mining and energy sector was among the hardest hit, with a 24.6% decline. New government policies, including restrictions on new oil and gas exploration contracts and changes to the tax framework, significantly impacted investment in this sector. Despite these challenges, the mining and energy sector still accounted for 71.8% of total investments.

### Output strength



The tourism sector has experienced remarkable growth. In 2024, it reached an all-time record, with an estimated 6,696,835 people visiting the country – an increase of 8.5% compared with 2023. According to the Ministry of Commerce, Industry and Tourism, foreign direct investment in commerce, restaurants and hotels generated \$1.7 billion in 2023, representing an 11% increase from 2022.

Colombia's trade balance posted a \$16.58 billion deficit in 2022. The deficit fell nearly 50% in 2023 to \$8.22 billion. According to central bank reports, the trade balance deficit for January – September 2024 was \$7.5 billion (FOB).

As of November 2024, the National Administrative Department of Statistics reported an unemployment rate of 8.2%, down from 9% in November 2023. The labor force participation rate stood at 66.7%, while the employment rate was 61.4%. In November 2023, these rates were 67.3% and 61.4%, respectively. Both the labor force participation and employment rates are approaching pre-pandemic levels. Informal workers accounted for 55.2% of the active workforce, a slight decrease from the 2022 rate of 58.7%.

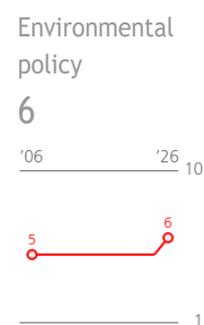
During the review period, inflation slowed significantly. The inflation rate fell to 5.2% in 2024, a decline of four percentage points from 2023 (9.28%). Yet the growing gap between revenue and public expenditures has raised concerns about the country's fiscal and monetary stability in both the short and medium terms.

## 12 | Sustainability

Colombia's environmental regulatory framework includes national and international laws. The country has made significant progress in developing legal and institutional tools to safeguard the environment. For example, Colombia ratified the Escazú Agreement in 2022. It has enacted legislation to address climate change and is committed to reducing carbon emissions. In 2015, Colombia set a goal of reducing carbon emissions 20% by 2030 and later aimed to reach a point of net zero emissions by 2050.

Environmental protection and climate action are at the core of the government's agenda, and the current government has worked to position Colombia as a global leader on these issues. The administration increased environmental spending, reversing cuts made under former President Iván Duque.

The Just Energy Transition (Transición Energética Justa) policy is the government's flagship initiative, envisioning a structural transformation of the country's economy. The goal is to reduce the country's reliance on hydrocarbons and mineral resources by replacing them with clean energy, while also diversifying the economy by strengthening other sectors such as tourism. This process involves technical and financial assessments, as well as public consultations. Although significant progress



has been made, a comprehensive policy is still pending. While the government insists that transitioning away from fossil fuels must be expedited, critics argue that a rapid phaseout could destabilize the national economy for the sake of minimal climate benefits. Experts also caution that Colombia could become dependent on imported gas and oil by 2030.

Colombia is vulnerable to the effects of climate change and faces significant challenges in preparing for and managing natural disasters. The country was ranked 92nd of 187 in the Notre Dame Global Adaptation Initiative (ND-GAIN) Country Index, with a score of 48.7 out of 100.

As in previous years, deforestation remains a critical concern. Although the government reported a 36% reduction in deforestation in 2023, the rate of deforestation rose by 40% in the first half of 2024. The main drivers of deforestation include the expansion of cattle pastures, gold mining, large-scale palm oil plantations and coca cultivation. In combating deforestation, the Colombian government has largely relied on a military approach. Civil society members and experts have raised concerns that this strategy disproportionately affects vulnerable communities instead of effectively targeting the primary drivers.

Violence against environmental advocates is another urgent issue that exposes the gaps between Colombia's environmental commitments and its political realities. According to Global Witness, Colombia was the deadliest country for land and environmental defenders in 2023, with 79 murders (accounting for 40% of global cases).

Colombia's education and training system is substandard, with notable gaps between private and public schools and between urban and rural areas. However, the country has made progress in reducing illiteracy rates and improving school enrollment rates. In 2022, net enrollment rates were 92.7% for primary education and 86.9% for secondary education, according to ECLAC. The quality of education remains a persistent problem. The country's results in the Program for International Student Assessment (PISA) survey have been consistently low. In the 2022 PISA survey, Colombian students scored below the OECD average in reading, mathematics and science.

In 2023, the tertiary education enrollment rate was 55.38%. Public institutions account for 54% of tertiary education enrollments. Nearly two-thirds of students pursue professional degrees, while one-third enroll in technical or technology-focused programs. Tertiary education is concentrated in a few regions, with Bogotá hosting 34% of students, followed by Antioquia with 12.3%.

Public spending on education accounted for 4.2% of GDP in 2023, with the overall budget up 11.8% from 2022. Research and development is underfunded, with less than 1% of Colombia's GDP (0.29% in 2020, according to World Bank data) devoted

Education policy /  
R&D

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to it. The state has sought to boost funding in this area by investing 10% of the resources from the General Royalties System in science, technology and innovation through public, open and competitive calls. However, bureaucratic structures and corruption have hindered effective deployment of these allocated resources.

## Governance

### I. Level of Difficulty

Structural constraints on governance are substantial. These include profound social inequality, widespread poverty, a large informal labor market, uneven state presence across territories, weak fiscal capacity, underperforming education systems, inadequate infrastructure and very significant economic dependence on commodities.

Institutional vulnerabilities are deeply entrenched and characterized by corruption, state capture and co-optation. Legal and illegal actors have systematically infiltrated governance structures, exploiting state mechanisms for private interests. In several areas of Colombia, state and non-state armed actors coexist and interact in relationships ranging from competition to collusion. Climate change poses new constraints, as the country is highly susceptible to its effects, and struggles with natural disaster preparedness and management.

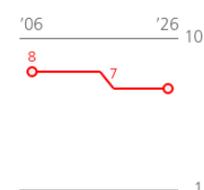
These fundamental limitations are compounded by the persistent complexity of guerrilla warfare and the presence of various non-state armed actors. Another significant challenge is that Colombia hosts more than 2.8 million Venezuelan refugees. Although immigration flows are not a problem per se and can foster positive outcomes for the host society, the demands and pressures they place on resources and services, coupled with the structural limitations of the Colombian state and economy, can undermine governance capacity.

Colombia has a moderate-to-strong civil society tradition. Historically, its political system has been exclusionary and dominated by the Conservative and Liberal parties, which have served as mediators between the state and society. Armed conflict and violence have further hindered the development of civil organizations and remain a major obstacle to social organization and engagement. In marginalized areas historically affected by armed conflict, human rights defenders and social leaders are often targeted with violence. While the current administration takes a different approach, state security forces have traditionally responded to protests with violence and repression. Protesters also face stigmatization and criminalization.

However, the country has undergone several phases of democratic opening, creating opportunities for civil society to organize and mobilize. The 1991 constitution marked a turning point, fostering new avenues for civic organizations. Over the past decades, this has led to gradual growth in structure, reach and significance. The 2016

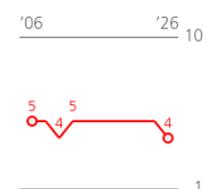
Structural  
constraints

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Civil society  
traditions

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peace agreement with the FARC was another critical juncture, spurring civil society mobilization and amplifying its demands. The subsequent period was marked by heightened social activism, with massive waves of protest and unrest in 2019 and 2021.

Civil society in Colombia is a multifaceted network of actors representing a broad spectrum of interests, such as conflict victims, human rights activists, women, LGBTQ+ communities, conservative groups and business leaders. Participation takes many forms, ranging from traditional civic engagement to heated political debates and online activism. International actors, including multilateral organizations, NGOs and donors, maintain active partnerships with civil society at both national and local levels.

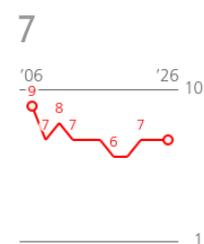
Grassroots movements, organized through nationwide platforms, were pivotal in the 2022 election of Gustavo Petro, Colombia's first leftist president, and have remained active since. Many social movement leaders have assumed roles as officials in various state institutions. While the intensity of social mobilization has diminished compared with the period of massive protests in 2019, 2020 and 2021, sectors such as workers, peasants, miners and students continue to mobilize. According to the Fundación Centro de Investigación y Educación Popular / Programa por la Paz (CINEP/PPP), protest dynamics under the current government remain consistent with historical trends.

Levels of social trust in Colombia remain low. In the 2024 Latinobarometer survey, only 15% of respondents said they believed most people could be trusted. The 2023 Political Culture Survey found that 45.4% of respondents considered organizing with the community for a common cause to be difficult or very difficult.

Multiple sources of political, social and economic conflict have shifted in recent years. Having endured more than six decades of armed conflict, Colombia reached a historic milestone with the 2016 peace agreement. This marked the end of the war with the primary rebel group and opened new avenues for political participation and peacebuilding efforts. However, organized violence has intensified in recent years because of growing fragmentation and armed competition among non-state armed groups. The geography of violence has become more localized, disproportionately affecting specific regions. Human rights advocates, grassroots social leaders and former FARC fighters are the primary victims of targeted violence. Non-state armed actors now include a diverse array of groups, such as drug-trafficking organizations, successor paramilitary groups, left-wing guerrillas and dissident or rearmed factions of the former FARC. The government has prioritized political negotiations as a central strategy to curb violence within the framework of its "Total Peace" policy. Despite these efforts, the strategy has not delivered the anticipated results.

Land grabbing; violent dispossession; organized crime; and socioenvironmental conflicts related to mining, energy, and agro-industrial and infrastructure megaprojects are all sources of conflict and violence. Additionally, issues such as

Conflict intensity



inequality, corruption and limited social opportunities have gained prominence in the public discourse and fueled social mobilization. High levels of inequality persist, most notably in the significant divide between the wealthiest and most impoverished segments of the population. This inequality manifests in various forms and is closely tied to geography, ethnicity and gender. Disparities exist not only between rural and urban areas but also among subnational units.

Petro's election as Colombia's first left-leaning president, along with his ambitious reform agenda, has exacerbated tensions. During the period under review, public discourse has become increasingly polarized.

## II. Governance Performance

### 14 | Steering Capability

Gustavo Petro won the presidency with a promise to make changes across all areas, including the country's economic model, political organization, peace and security strategies, and environmental and climate policies. The National Development Plan, released in 2023, outlines the government's road map. Framed by the notion of transformation with a territorial approach, the plan is organized around five pillars: a) territorial planning focused on environmental justice and the care, conservation and management of water sources; b) human security and social justice; c) the human right to food; d) transformation of the production apparatus, internationalization and climate action; and e) regional convergence, defined as overcoming inequalities between regions and improving coordination among levels of government.

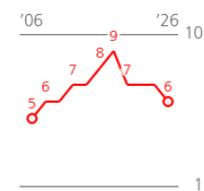
The broad scope and depth of the envisioned agenda have already created a challenging environment for the government to prioritize and organize policy measures effectively. This has been further compounded by the government's own failures and shifts in the political environment. In the first phase of his mandate, Petro secured a majority coalition in Congress, enabling passage of crucial legislation in areas such as tax reform, peace and security, and social policy. However, this initially promising environment has grown increasingly complex and challenging due to tensions within the cabinet, divisions within pro-government sectors, policy inconsistencies and shifting political dynamics. As a result, the administration's ability to establish and sustain clear strategic priorities has been significantly undermined.

Instead of taking a pragmatic approach, the president has pressed ahead with specific reforms, investing substantial political capital that might have been used more effectively to pursue other reforms with a greater likelihood of gaining support. For

Question  
Score

Prioritization

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instance, his persistent focus on health care reform has heightened tensions, especially now that he no longer enjoys majority support in Congress. Compounding these challenges, frequent cabinet reshuffles have disrupted the effective prioritization of policies. As the government enters the final phase of its term, it has less room to maneuver to prioritize and implement its planned reforms.

In brief, Petro's government has thus far fallen short of delivering on its transformative agenda, and has struggled to lay the foundation for substantial change in the near future. On the one hand, the broad and ambitious nature of the agenda has posed significant challenges with regard to defining priorities and in implementing them at every stage. Amid shifting political dynamics, the government's ability to secure support for its reforms has become increasingly constrained, resulting in stalled approval of key legislation during the period under review. On the other hand, both the formulation and implementation of policies have been hindered by inconsistencies and procedural errors, contradictory decisions by the administration, insufficient technical capacity, delays in appointing officials, slow resource execution, and other obstacles. The failure to implement strategic policies has affected President Petro's approval ratings. While approval levels were above 50% in 2022, a December 2024 Invaer survey showed a drop to 34%. Still, this figure remained higher than that of former presidents Iván Duque and Juan Manuel Santos, whose third-year approval ratings averaged about 20%.

Addressing poverty and inequality has been a central pillar of the administration's agenda. A Constitutional Court ruling halted the establishment of the Ministry of Equality and Equity, though the ministry has been permitted to function until 2026. The ministry's budget execution has been notably slow. Implementation of the Renta Ciudadana program began gradually in the first half of 2024. As land concentration and unequal land distribution remain critical issues, the administration has prioritized agrarian reform and strengthened the institutions responsible for these concerns, yielding positive results in land acquisition and formalization.

On welfare and labor issues, the government's reform agenda has yielded negative results. Although pension reform passed, health and labor reform initiatives failed. Moreover, problems in health care administration have been exacerbated by government decisions, such as the state intervention in the system of health promotion entities (EPS) and changes in resource allocation. Efforts to reform the state and improve institutional quality have also been uneven. While a new law reforming the Statute on the Administration of Justice was enacted in 2024, initiatives to strengthen the party system and electoral institutions were rejected.

Fiscal constraints have posed significant challenges, as the Constitutional Court invalidated parts of the 2022 tax reform and a subsequent proposal was rejected in December 2024. This forced budget cuts in 2024 and 2025, limiting the government's capacity to fund its agenda.

Implementation

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Climate policy and the green transition have been declared priorities, but transitioning from a mining- and oil-dependent economy remains a major hurdle. While a road map for the green transition is being developed, the suspension of new oil and gas exploration has drawn strong opposition, raising concerns about the economy's future and the possibility that the country may be forced to rely on imported gas.

Under the “Total Peace” initiative, the government has pursued multiple instances of peace negotiations with rebel groups and organized-crime groups, achieving modest gains such as a reduction in the number of attacks on state forces and less violence in some areas. However, the strategy has faced persistent challenges. Overall, the policy has failed to significantly reduce violence or dismantle armed groups. Violence increased, particularly against civilians, and non-state actors strengthened during the review period.

The constitution established a legal framework for a policy assessment system. A monitoring and evaluation unit is integrated into the National Planning Department's organizational structure. This unit oversees the national system of management evaluation and results (Sistema Nacional de Evaluación de Gestión y Resultados, SINERGIA). Over the past few decades, Colombia has taken significant steps to enhance the guidelines, resources and infrastructure for the state's policy monitoring and evaluation, aligning with international standards. As a member of multilateral organizations, including the OECD, the country has consistently collaborated on evaluating its public policies. However, issues such as corruption, inefficient bureaucracies, inadequate monitoring, financial constraints and a lack of coordination between levels of government undermine the ability to learn from past experiences and implement changes. Another factor is that innovative and experimental policy approaches are constrained by powerful actors who favor the status quo and resist structural reforms.

The current government has shown varying degrees of adaptability across policy areas. Over time, however, the government's capacity for policy learning has diminished. President Petro has increasingly adopted a confrontational approach toward other branches of government and opposition sectors as obstacles to advancing his agenda have mounted. Early in his term, the president appointed technocrats and highly respected experts to his cabinet. However, disagreements over policy priorities and strategy eventually led to their departure. The cabinet has increasingly consisted of political allies and members of Petro's inner circle, often at the expense of technical expertise. As of January 2025, another cabinet reshuffle was underway, with reports suggesting that the new lineup would emphasize the inclusion of allied political parties and political operators as part of a broader strategy to secure congressional backing for the administration's reform agenda.

#### Policy learning

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## 15 | Resource Efficiency

In general, national and subnational governments struggle to use available human, financial and organizational resources effectively. Despite significant variation in administrative structures and quality at both levels, entrenched practices within the state apparatus continue to hinder efficient resource allocation. Regarding administrative personnel, recruitment procedures often prioritize political convenience over merit. The same applies to members of the government. A notable example is the appointment of Petro's top aide, Laura Sarabia, to multiple roles, including her most recent position as foreign minister. Public positions are often used to reward political allies and support patronage networks. These long-standing challenges persisted throughout the period under review. At the start of its term, the Petro administration was slow to fill key positions. To date, some of these roles remain filled by interim appointees, hindering efficient operation.

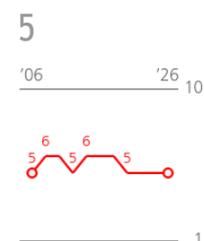
Government performance in executing the budget has been subpar. As of December 2024, only 70.1% of the year's budget had been executed, an 8.4 percentage-point decrease compared with the same period in 2023. The Ministry of Equality posted the poorest results, using only 2.4% of its annual budget by November 2024. Compounding these issues, Colombia faces significant debt and a large fiscal deficit, partly because of the failure of tax reform initiatives.

A bill to reform the system of transfers from the central government to subnational entities, aiming to enhance these entities' fiscal autonomy, was moving through the legislature as of the time of writing. Given local governments' institutional weaknesses, the planned reform would face several challenges. Most notably, efforts to audit authorities at the local, regional and national levels remain susceptible to political interference and corruption, threatening the integrity of public financial management.

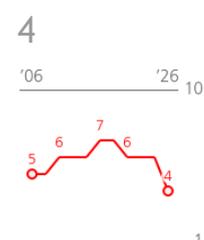
At the start of his term, President Petro sought to balance conflicting interests and strategically build support for his reform agenda. He quickly secured a majority coalition in Congress, but by the first half of 2023, this alliance had begun to unravel due to disagreements over the scope of key reforms. Tensions over these reforms also spilled into the cabinet, with several ministers resigning over policy disputes or criticisms of reforms in other sectors. The composition of the cabinet and the leadership of state agencies have been marked by frequent turnover, with members and their positions rotating constantly. This instability has hindered policy coordination and complicated the government's ability to define clear strategic priorities.

President Petro prioritizes unilateral, often improvised decision-making, routinely disregarding cabinet input. This disconnect undermines effective policy coordination and leads to fragmented, inconsistent decisions. Furthermore, Petro's reliance on

Efficient use of assets



Policy coordination



informal communication channels such as social media rather than official protocols exacerbates confusion and sends contradictory messages to other branches of government and citizens.

The administration’s difficulties in developing a coherent policy framework have undermined the interagency and intersectoral cooperation essential to effective implementation. Persistent corruption and inefficiency in numerous government agencies at both the national and subnational levels have compounded these challenges. Resource mismanagement further impedes effective policy coordination.

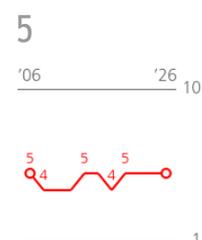
Colombia has a robust anti-corruption legal framework. The Office of the Comptroller General is responsible for auditing public spending; the Attorney General is responsible for disciplining public employees; and the National Electoral Council oversees political parties, including their campaign spending. As part of the OECD accession process, Colombia implemented several anti-corruption programs based on best practices and international standards. During the period under review, a law promoting greater transparency and accountability among members of Congress was passed. The law requires members of Congress to report all activities engaged in and decisions made in the exercise of their mandates. Additionally, a bill aimed at strengthening protections for natural persons who report or denounce acts of corruption was making its way through the legislative process at the close of the review period.

Although combating corruption is a stated policy priority, progress has been insufficient, and corruption remains widespread in both the public and private sectors. The current government, despite its anti-corruption stance, has had several members implicated in corruption scandals, including the president himself. Factors hindering effective anti-corruption enforcement range from the prevailing institutional architecture to the presence of dishonest and corrupt officials within law enforcement and oversight bodies. In public procurement, public bodies excessively use direct procurement and exceptional regimes, enabling circumvention of public procurement norms and facilitating collusion schemes such as bid rigging. Additionally, officials from the entities responsible for enforcing anti-corruption laws have themselves been involved in malfeasance.

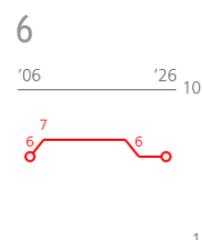
**16 | Consensus-Building**

Major political actors agree on the importance of democracy to development and transformation. However, there is considerable disagreement about what democracy means in practice, as well as about its guiding principles and the best methods of achieving it. Most of the population agrees on the fundamental importance of democracy, despite expressing deep dissatisfaction with its current performance. In the context of the current global trend of democratic backsliding and the rise of right-wing populism, certain political actors in Colombia have increasingly embraced

Anti-corruption policy



Consensus on goals



authoritarian rhetoric and expressed interest in developing ties with – and replicating policies promoted by – figures such as Nayib Bukele in El Salvador and Donald Trump in the United States. Members of the Centro Democrático Party, for instance, have openly voiced support for Trump, seeking to position themselves as allies of the current U.S. president. During the period under review, authoritarian and populist tendencies have also increased among left-wing sectors. In light of the obstacles to achieving the envisioned reforms, some leftist actors, including Petro’s administration, have become more vocal in their criticism of democratic accountability mechanisms and checks and balances. Additionally, the current administration has been ambiguous in its stance on authoritarian governments in Cuba, Nicaragua and Venezuela.

Guerrilla groups, successor paramilitary organizations and organized-crime networks are a hindrance to democracy even if their primary goal is not to overthrow state power. Their activities undermine governance and democratic participation, weaken institutions and perpetuate violence.

In principle, all major actors agree on the market economy as a normative framework for transformation. Despite this basic consensus, divisions persist over the appropriate extent of market regulation and degree of state intervention, the social welfare model, and the balance between economic growth and environmental concerns. The current government’s political program champions a comparatively proactive role for the state in fostering economic innovation and shaping the economy. It also endorses expanding welfare programs and strengthening policies aimed at reducing inequalities. However, these goals face significant fiscal constraints. Energy and climate policy are central to President Petro’s strategic agenda, but major stakeholders, along with relevant economic and political actors, are skeptical of the energy transformation plan, fearing negative impacts on economic performance and job creation.

There are a number of anti-democratic veto actors, the most prominent being non-state armed groups, including guerrillas, successor paramilitary groups and organized-crime groups. These illegal armed groups possess significant power over territories, and are able to challenge the state and undermine democratic norms. The current government has prioritized its “Total Peace” policy as a strategy to dismantle armed groups through negotiations and lay the groundwork for sustainable conflict transformation. However, the policy’s formulation and implementation have been inconsistent, failing to provide a coherent strategy to address the diverse nature and characteristics of armed groups and, most importantly, to reduce violence against civilians.

From a subnational perspective, powerful local elites and landowners resist democratic reforms. In certain regions of the country, political order is better described as a form of subnational competitive authoritarianism. In this scenario, institutions formally adhere to democratic rules. In practice, political competition and local power are characterized by clientelism, state capture and violence.

Anti-democratic actors

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Colombian society is characterized by profound divisions along class, gender, sexual orientation, race, spatial (rural vs. urban) and political lines. The peace process with the Revolutionary Armed Forces of Colombia (FARC) was highly controversial. At the same time, resolution of the armed conflict with the largest former armed group and the creation of new opportunities for political engagement under the agreement drew greater attention to other pressing issues such as poverty, inequality and racism. Amid increasing citizen dissatisfaction with structural conditions and government policies, the country saw heightened social mobilization and mass protests in 2019, 2020 and 2021. The state responded with a combination of vilification and violence.

The election of Gustavo Petro was widely seen as a historic opportunity to advance political inclusion and implement long-overdue socioeconomic reforms. Initially, President Petro adopted a moderate strategy, seeking to bridge traditional divides and build consensus. However, the proposed reforms sparked disputes among competing interests. Reforms that radically challenge the deeply entrenched concentration of wealth and power have historically faced strong resistance from economic, political and technocratic elites. The government's shortcomings in formulating and implementing its reform agenda and in managing relations with other branches of government and key stakeholders have further intensified tensions. Petro's confrontational approach toward traditional power structures, including his critical stance toward the media, has drawn greater scrutiny. Although this trend does not apply to Colombian society as a whole, public debate has shifted toward a more adversarial pattern marked by a friend-enemy or zero-sum dynamic.

Historically, civil society organizations representing the better-off sectors of society, such as business organizations, have enjoyed strong influence over government policy. In contrast, and largely because of the composition of its constituency, the current government has fostered the participation of grassroots and community-based organizations. In accordance with its political principles, Petro's government has placed political participation and inclusion at the heart of its agenda, creating various channels for citizen engagement in agenda-setting and policy design. However, the extent to which input gathered through consultations is effectively integrated into final policies varies significantly across sectors. While channels for civil society participation have become more prominent in the early stages of the policy cycle, their role remains considerably underdeveloped in the area of performance monitoring.

Colombia is a war-torn country that has not reached consensus on how to reckon with its past and pursue justice and reconciliation. The country has implemented several initiatives aimed at fostering reconciliation at the national and subnational levels. Still, reconciliation between victims and perpetrators and within society as a whole has a long way to go. Deep disagreements persist, particularly over interpretations of the conflict's history, including the motivations and roles of perpetrators and victims. The role of the state and its security forces as active agents of victimization remains a source of heated debate.

#### Cleavage / conflict management

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#### Public consultation

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#### Reconciliation

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Reconciliation and transitional justice were central components of the peace agreement with the FARC guerrilla group, leading to the establishment of the Commission for the Clarification of the Truth, Coexistence, and Non-Repetition (CEV) and the Special Jurisdiction for Peace (JEP). In contrast to the former government of Iván Duque, the current government has actively supported transitional justice institutions. In recent years, these institutions have made notable progress in advancing the rights to truth, justice and reparation. The Truth Commission published its final report in 2022, while the JEP has moved forward by opening 11 macro cases to investigate and prosecute those responsible for serious human rights violations, consolidating multiple cases based on broader, defined patterns. However, tensions have emerged regarding these bodies' performance, particularly that of the JEP. Delays in defining the legal status of appearing parties and in imposing sanctions have been central concerns.

## 17 | International Cooperation

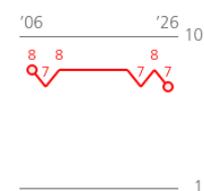
Colombian governments have traditionally relied on international partners to support their development, security and peace initiatives. The country benefits from official development assistance (ODA) and actively engages in South-South and triangular cooperation. Since joining the OECD in 2020, Colombia has adhered to its development cooperation recommendations. In 2022, the country established a national system for international cooperation to align foreign aid with national development objectives and sectoral and territorial policies at both national and subnational levels. The National Strategy of International Cooperation (ENCI) serves as a framework for prioritizing and implementing non-reimbursable international cooperation in accordance with the National Development Plan.

Colombia primarily receives ODA from the United States, Germany, the European Union, Norway and Canada, with most funding directed toward peacebuilding, health care, education, economic development and infrastructure. The United States has been the largest provider of assistance, accounting for 70.6% of total humanitarian aid and 42% of resources for peace programs. As a result, the suspension of foreign aid ordered by President Trump in January 2025 has severely disrupted the humanitarian and peacebuilding sectors, as well as anti-narcotics and other military programs.

In November 2024, the government launched the South-South Cooperation Program on Peacebuilding, “From Colombia to the World,” which focuses on exchanging experiences with Global South countries undergoing conflict negotiations, transitions or peacebuilding processes. Addressing climate change and protecting the natural environment are also key priorities for international cooperation under the current administration.

Effective use of support

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Strategic limitations, political dynamics and, most notably, policy inconsistencies have hindered the effective use of available assistance. At the start of his administration, the president delayed the appointment of the head of the Presidential Agency for International Cooperation, disrupting the agency's operations and hindering coordination with key partners. Over time, policy challenges and interagency coordination issues have further hampered program implementation.

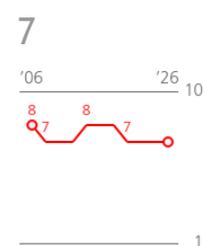
For the most part, the government acts as a credible and reliable partner. Colombia is a committed member of several multilateral organizations and has contributed to regional cooperation initiatives. Likewise, the country has a positive record of compliance with international agreements, particularly in the economic realm. It has also participated in developing mechanisms to monitor compliance. For instance, within the 2030 Agenda framework, the country has submitted four Voluntary National Reviews (2016, 2018, 2021 and 2024). Additionally, the National Planning Department has created a tool to monitor, gather and systematize budget information related to the 2030 Agenda.

Likewise, the country cooperates with international institutions to resolve territorial disputes. During the review period, the International Court of Justice (ICJ) settled the long-standing dispute between Colombia and Nicaragua over territorial and maritime boundaries. In 2012, the ICJ ruled in favor of Nicaragua's demands. However, after Nicaragua pursued an additional claim for an extended continental shelf, the court delivered a final judgment in 2023, affirming Colombia's stance and dismissing Nicaragua's request to expand its maritime territory beyond 200 nautical miles.

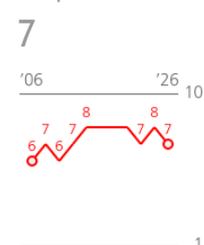
That said, the government's shortcomings in policy prioritization and implementation, along with President Petro's unclear communication style, have hurt the country's credibility with the international community. In September 2024, the country was temporarily suspended from the Egmont Group after Petro disclosed classified information about the Pegasus spyware. The Egmont Group is a global organization of 177 financial intelligence units dedicated to combating money-laundering.

President Petro has emphasized the importance of regional cooperation and of strengthening integration processes. Shortly after taking office, Petro announced Colombia's return to the Union of South American Nations (Unasur). Beyond this, however, the government's efforts have been unsuccessful in promoting regional integration and cooperation. Examples include attempts to establish an emergency group – with participation from neighbors such as Brazil – to facilitate a negotiated end to the war in Ukraine; an initiative involving Brazil and Mexico to mediate the dispute over Venezuela's 2024 election and support a democratic transition; and, more recently, Petro's call to form a regional front to challenge President Trump's policies on immigration and trade.

#### Credibility



#### Regional cooperation



Petro's administration has pursued cooperation with the United States on key issues on its agenda, including military cooperation and programs to combat deforestation. However, Donald Trump's return to the presidency has altered this dynamic, leading to a more strained relationship.

Venezuela is a central factor in Colombia's foreign policy agenda, and managing relations with Maduro's government has become increasingly complex for Petro. Unlike other governments in the region, Colombia has refrained from openly criticizing the Maduro regime. This approach is driven by the strategic need to secure Venezuelan support on critical matters, particularly the peace negotiations with the ELN. However, recent developments have made it more difficult for Petro to maintain this position. After Venezuela's fraudulent 2024 presidential election, Petro adopted a more critical stance. He asserted that the election lacked transparency and joined the call for the publication of electoral records. Petro also did not attend Maduro's inauguration. Despite the significance of this issue – and despite the fact that Colombia is the primary destination for Venezuelan migrants – immigration remains a secondary topic on Petro's agenda with Venezuela.

## Strategic Outlook

The previous BTI report warned that Colombia's government could fail to implement reforms and flagship policies because of the absence of agreements with relevant political players, a lack of pragmatism and shortcomings in the establishment of concrete plans. Over the past two years, developments have largely aligned with these concerns. As Petro's government enters its final phase, it has become clear that it will fall short of its original promises. Difficulties in securing legislative approval for reforms and the slow pace of policy implementation have eroded public support, while corruption scandals involving government officials have further damaged its credibility. In response to institutional and political obstacles, President Petro has taken a confrontational stance toward other branches of government and public authorities, exacerbating political tensions. Meanwhile, deteriorating security conditions have highlighted the limitations of the "Total Peace" strategy, which has proven inadequate in curbing violence, let alone in dismantling non-state armed groups. Further complicating the administration's challenges, shifts in the international landscape – particularly the return of Donald Trump as U.S. president – have created a more difficult environment for pursuing its agenda.

While the government still has a chance to lay the groundwork for change in key areas such as social policy, peacebuilding, security and the energy transition, the window of opportunity is rapidly closing. Complicating matters, the government's growing reliance on plebiscitarian and extra-institutional mechanisms to force approval of its reforms is fueling heightened conflict and polarization.

The current context and trends suggest a tense scenario for the 2026 presidential and congressional elections, which will determine whether Petro's vision for sweeping reforms and the broader progressive agenda will endure, or whether the country will instead shift in a more moderate or far-right direction. Furthermore, the government's failure to implement desperately needed reforms, coupled with escalating tensions among political sectors and growing discontent among citizens, has undermined the legitimacy of democratic institutions and provided fertile ground for the rise of an outsider to the presidency.

Against this backdrop, a crucial factor is that some of Petro's most significant reforms are still in their early stages, leaving them vulnerable to reversal if an opposition coalition gains control of the executive and a majority in Congress. The continuity of the incumbent's project will depend on the government's ability to prioritize and improve key policies. In addition, Petro faces the critical challenge of identifying a viable successor who can secure popular support and sustain his agenda.