VAUPÉS

According to the 2023 Subnational Risk Index, Vaupés ranks second in the Amazon region with the highest investment risk (moderate risk). While the department benefits from increased military presence, ensuring security in populated areas, limited resource exploitation, and preserving its biodiversity, it faces significant challenges. Difficulties in logistics due to geographic isolation make it impossible for more remote areas to have this presence, which increases insecurity and leaves them economically isolated and without public services.

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SECURITY:

Vaupés is Colombia's second department with the lowest security risk (very low risk). In 2022, it recorded the third-lowest homicide rate in the country (11 homicides per 100,000 inhabitants) and the second-lowest extortion rate (4.4 extortions per 100,000 inhabitants). Vaupés had the third-fewest hectares of coca cultivation nationally (17 hectares). The Fourth Division of the National Army provides security, particularly in major urban centers. However, armed groups like the Estado Mayor Central operate in the area. In May 2023, the Defensoría del Pueblo warned about violence from this organization toward Indigenous communities, raising security risks. By August 2024, the Unidad para las Víctimas reported 12,653 victims of the conflict in Vaupés, with forced displacement being the primary victimizing act. In response, authorities have reinforced the military presence to enhance security against the Farc-EP's Amazonas Bloc. Under the Ayacucho Plan, the National Army is committed to protecting civilians and strengthening governance in Vaupés. Simultaneously, the Instituto Colombiano de Bienestar Familiar (ICBF) is working in local schools to prevent the forced recruitment of children and adolescents. These activities have led to positive security outcomes in the first half of 2024.

ECONOMY:

Vaupés is the second department in Colombia and the first in the Amazon region with the highest economic risk. In 2022, it had the lowest banking penetration in the country, with only 19.54% of adults holding active financial products. The labor market in Vaupés faces significant challenges, as only 2.91% of the population has higher education, resulting in a predominantly unskilled workforce. Access to Vaupés is complex, discouraging national and international businesses from investing, contributing to its low entrepreneurial activity—only 427 formal businesses per 10,000 inhabitants (according to DANE). According to Vaupés economic profile, economic dependence on public spending is evident, with the public administration sector contributing 50.9% to the local GDP in 2023. Transportation issues increase costs and limit product accessibility, compounding the region's low GDP and high poverty levels. Vaupés has a narrow export base, with bananas making up 56.3% of its exports, making it vulnerable to market fluctuations and limiting access to new international markets.

INSTITUTIONALITY:

Vaupés has a moderate institutional risk. In 2021, it scored 54 out of 100 in the <u>Departmental Performance Measurement</u>, making it the seventh lowest-scoring department in the country. In the <u>Transparency</u>, <u>Access to Information</u>, and <u>Anti-Corruption Index</u>, Vaupés scored 79.3 out of 100 in 2022, reflecting available tools to combat





corruption. However, there have been corruption cases that negatively impact investment perceptions. In 2023, the Secretary of Transparency reported that Vaupés is the <u>eighth department</u> in the country with the highest number of corruption-related complaints, most of which remain unresolved, reflecting ineffective responses from authorities and the judicial system. The <u>2022 Digital Government Index</u> rated the department 66.4 out of 100. While this is a decent score, government entities still have room for improvement in the integration of ICT. Vaupés is part of the Amazonia Regional Association (<u>RAP</u>), which includes Amazonas, Caquetá, Guaviare, Putumayo, and Guainía. This collaboration facilitates institutional integration and promotes projects in common sectors like infrastructure and environmental conservation.

SOCIETY:

Vaupés is the second department in the country and the first in the Amazon with the highest social risk (high risk). Multidimensional Poverty Measurement (MPM) rising from 47.1% in 2022 to 55.7% in 2023. Despite improvements in some areas, long-term unemployment and informal work remain significant issues. The department has the lowest health insurance rates (67.7%) and school access (66%) in Colombia, with a dropout rate of 4.72%. Access to essential services, such as education and healthcare, is severely lacking. There are challenges like the School Feeding Program (PAE), where indigenous students have reported poor quality food, a lack of school kits, unfinished construction projects, and a mental health crisis among children and teenagers. Vaupés also struggles with a housing deficit, with over 91.3% of homes needing repairs, and faces high energy poverty, with 88% of the population lacking adequate energy sources. While promising initiatives promote social inclusion, such as programs for women's entrepreneurship and support for Indigenous communities, significant challenges remain in access to technology and improving living conditions.

ENVIRONMENT:

Vaupés is the second department in the country and the first in the region with the lowest environmental risk (very low risk). In 2022, it reported no environmental pollution, illegal mining exploitation, or damage to natural resources, and it had the fourth-lowest cases of illegal use of renewable natural resources (four cases). However, threats and lack of access to institutions might lead to underreporting issues. The implementation of the National Program for Payments for Environmental Services, established in 2017, has enabled Vaupés to invest in Amazon conservation through projects compensating individuals and communities for environmental services. Despite these efforts, the department faces challenges related to deforestation, with 1,978 hectares deforested in 2023, primarily due to livestock expansion and population growth. Environmental leaders are at risk from armed groups, creating a climate of violence that hampers the defense of natural resources and sustainable practices.

POLITICS:

Vaupés has the lowest political risk in the country. Between 2012 and 2023, the department successfully had all three governors complete their terms, signaling political stability. In 2022, Vaupés recorded no victims from constitutional and legal crimes, had the second-lowest number of victims from abuse of authority (6 cases), and reported only one threat against human rights defenders. The 2023 local elections were deemed free from electoral fraud risks. However, Vaupés faces a significant issue with unaddressed corruption complaints, including allegations against gubernatorial candidate Iván Ávila for vote-buying.





TRANSPORT INFRASTRUCTURE:

According to the Departmental Development Plan 2020-2023, Vaupés has extremely limited road infrastructure, with no highways connecting it to the rest of the country. Internally, only one road links Mitú, the urban center, to nearby Indigenous communities. There are also 788 km of paths facilitating community communication, but none connect to the outside. The only access is via air travel from Bogotá and Villavicencio. From 2020 to 2022, the National Institute of Roads (Invías) invested COP 7.431 billion to improve rural and regional roads in Vaupés through four projects, including road maintenance and construction. The Vaupés River serves as the main waterway, with four docks in Mitú that facilitate the transport of cargo and passengers. In April 2020, Invías completed studies for the river's navigability with an investment of COP 471 million. However, an additional investment of COP 2.159 billion for constructing the Yurupary - Picarón dock was suspended in July 2022, hindering necessary infrastructure development for improved connectivity and transportation. Despite this, the existing docks remain valuable for municipalities, especially given the poor state of road infrastructure.

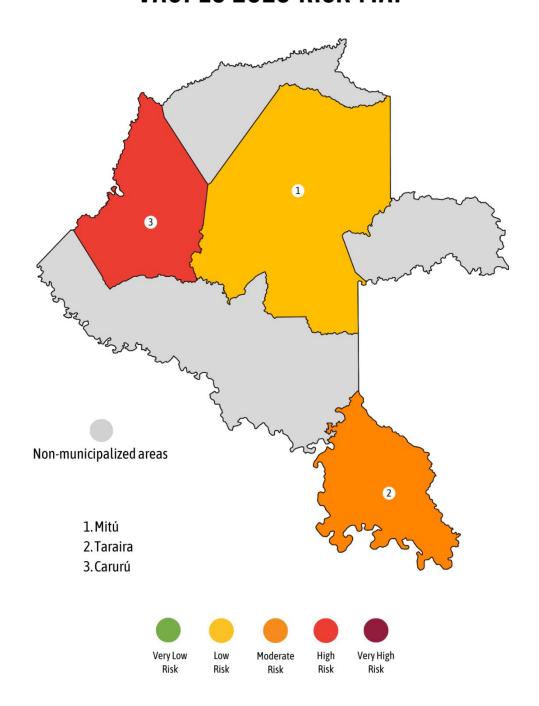
INVESTMENT SECTORS:

| AGRICULTURAL SECTOR | <u>Plantain</u> was the main permanent crop (34.7%), followed by pineapple (34.0%), while cassava was the dominant temporary crop (92.4%). The local economy largely relies on subsistence farming, with <u>cassava</u> crucial for indigenous communities' diets. Opportunities exist to expand the market for native species like miriti and copoazú, which can lead to innovative products and additional income for producers. |
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| LIVESTOCK SECTOR | The poultry sector showed potential, with <u>35,063 birds</u> reported, as <u>efforts</u> from local organizations aim to <u>improve</u> health and productivity in backyard farms. The regional development plan <u>highlights areas</u> suitable for pig and beef production, yet local supply is insufficient, requiring imports from other departments. |
| TOURISM AND COMMERCE SECTOR | Vaupés offers <u>nature tourism</u> , thanks to its extensive Amazon rainforest and numerous rivers. The department provides birdwatching and other animal activities alongside cultural tourism, featuring over 25 Indigenous communities showcasing music, dances, and gastronomy. Institutions, such as SENA, aim to strengthen the department's trade through <u>marketing events</u> like the Commercial Fair for Artisan, Rural, Gastronomic, Productive, and Innovative Services, as well as business roundtables. |





VAUPÉS 2023 RISK MAP



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