

# CAQUETÁ

[The 2023 Subnational Risk Index](#) shows Caquetá has a low investment risk. It is a gateway to the Amazon and features diverse economic activities, including traditional agriculture and sustainable livestock practices. However, the main risks for the private sector include economic challenges like reliance on public spending and a lack of specialized labor. Security issues from armed groups and illegal activities further deter investment, while deforestation poses significant environmental concerns involving various stakeholders.

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## SECURITY:

Caquetá has a low-security risk overall, though this might not reflect local perceptions. In 2022, Caquetá had high rates of homicides ([33.7 per 100,000](#)), kidnappings ([0.71 per 100,000](#)), and low extortion rates ([13.5 per 100,000](#)). Despite a strong National Army presence, the large area and poor infrastructure complicate security efforts. In 2022, the department saw [three massacres](#) and [five social leaders killed](#), impacting investor confidence. Armed groups like the Frente Carolina Ramírez and Comandos de Frontera vie for territorial control in more isolated municipalities, leading to forced displacement and threats. The rise in coca cultivation ([5,614 hectares](#)) and criminal activities like illegal mining and extortion worsen the situation, hampering economic development and private investment.

## ECONOMY:

Caquetá faces high economic risk. In 2022, [62.24%](#) of adults had financial products, close to the national average. However, informal lending practices, such as payday loans, undermine financial stability. In 2022, [34.45%](#) of the population had higher education, yet many students migrated, decreasing local competitiveness. Caquetá had 486 formal businesses per 10,000 residents (according to the Dane), with 12.08% in the informal sector. According to [Caquetá economic profile](#) the economy depends heavily on public administration (31.2%), agriculture (19.1%), commerce, hotels, and reparation (18.6%), making it vulnerable to external shocks. Major exports are wood (77.4%) and natural rubber (18.5%), with a high dependence on a few markets.

## INSTITUTIONALITY:

Caquetá faces moderate institutional risk. It scored 61.8 out of 100 in the 2021 [Departmental Performance Measurement](#), indicating public spending and management efficiency. However, irregularities in projects funded by the General Royalties System, such as [cost overruns](#) and [embezzlement charges against officials](#), have undermined transparency and public trust. In the 2022 [Digital Government Index](#), Caquetá scored 68.9 out of 100, reflecting good integration of information and communication technologies (ICT). The [Departmental Competitiveness Index 2024](#) scores administrative procedures low, 3.72 out of 10, highlighting inefficiencies and obstacles in governmental processes. The [Transparency, Access to Information, and Anti-Corruption Index 2022](#) score of 71.8 out of 100 suggests that some tools are in place to fight corruption. However, questionable practices have been identified, such as an [alleged corruption network](#) involving former IGAC (Instituto Geográfico Agustín Codazzi, the national land survey organization) officials and the Florencia public registry office.

## SOCIETY:

Caquetá faces moderate social risk. The [Multidimensional Poverty Measurement](#) (MPM) improved from 19.6% in 2022 to 17.2% in 2023 but remains above the national average (12.1%), highlighting persistent deprivations. In 2022, Caquetá had the highest health insurance coverage ([99.4%](#)) in the Amazon region, but quality and service standards need improvement. Housing conditions are problematic, with [47.2%](#) of homes needing repairs, which can affect health and economic opportunities. Education access is high ([94.4%](#)), but the school dropout rate is also high ([6.37%](#)), exacerbated by violence and forced displacement. Limited internet access ([50.9%](#)) hampers technological progress and economic development. Protests and public order disturbances have caused significant disruptions, such as road blockages and oil field interruptions. Indigenous and Afro-Colombian communities, [4.15%](#) of the population, face [violence and displacement](#), which affects their productivity and cultural preservation.

## ENVIRONMENT:

Caquetá is the 11th department nationally and the 5th in the region with very low environmental risk. In 2022, it had the 13th lowest illegal exploitation of renewable natural resources ([21 cases](#)) and the 10th lowest unlawful mining ([3 cases](#)). It recorded one case each of [damage to natural resources](#) and [environmental contamination](#). According to IDEAM in 2023, Caquetá experienced the highest deforestation rate in the country, with 12,647 hectares lost. [Livestock farmers, illegal loggers, and agricultural expansion](#) contribute to this deforestation. Since the 2016 Peace Agreement, increased grazing in national parks like Sierra de Chiribiquete has accelerated deforestation. However, the local dairy industry's implementation of Zero Deforestation Agreements aims to restore 800,000 hectares of forest. Initiatives like Zero Deforestation and [ESBIOLAC](#) promote environmental responsibility and enhance the private sector's image. Environmental authorities have raised concerns about the risks to communities in the Caquetá River basin due to [mercury use](#) linked to illegal mining in the department.

## POLITICS:

Caquetá has a low political risk. Between 2012 and 2022, it had the highest governor turnover in the country, with seven governors instead of three. The authorities removed Víctor Ramírez from office (2012-2014) due to alleged [irregularities in contracting](#) and Álvaro Pacheco (2016-June 2019) due to alleged [links with paramilitaries](#). In June 2024, the Ministry of Health requested the return of around [COP 90 billion](#) from Hospital Departamental María Inmaculada due to alleged mismanagement. Governor Francisco Ruíz rejected this, stating that the funds were already budgeted. This dispute is likely to impact national project funding and policy implementation. In 2022, compared to other departments, there were relatively few victims of threats against human rights defenders ([93](#)), abuse of authority ([60](#)), improper contract awards ([2](#)), and constitutional/legal violations ([1](#)). During the 2023 elections, [18.8%](#) of Caquetá's municipalities (3 out of 16) were at risk of electoral fraud and violence.

## TRANSPORT INFRASTRUCTURE:

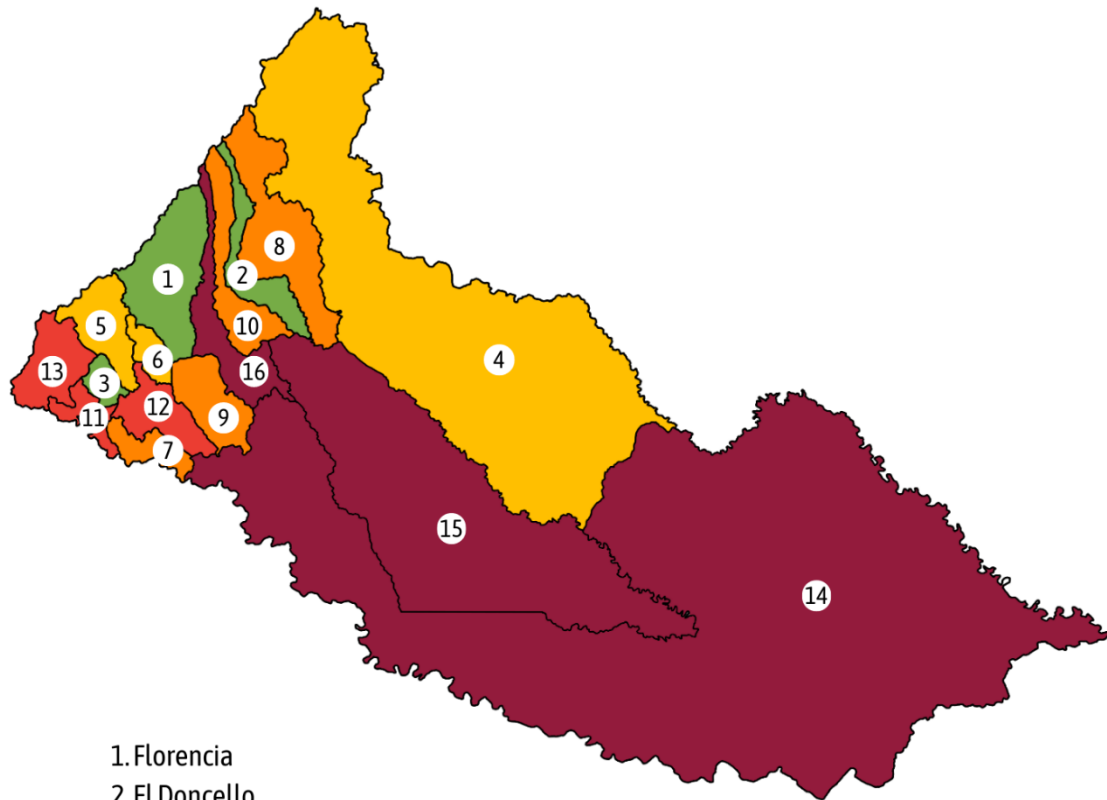
As of July 2024, the [National Institute of Roads \(INVÍAS\)](#) manages 446.81 km of primary roads in Caquetá, with 87.93% paved and mostly in good condition. The 2020-2023 [Departmental Development Plan](#) reports that the secondary road network consists of 458.8 km (27.42% paved, with only 36.44% in good condition). The tertiary network, estimated at 3,796 km and managed by municipalities, is mostly unpaved or poorly, impeding mobility, especially during rainy seasons. Caquetá faces challenges in road management due to its hydrographic and forest conditions. However,

projects like [COP 1 trillion](#) allocated by INVÍAS for 490 km of secondary roads and the [Rutas PDET Program](#) for 1,742 meters of road improvements are underway. In June 2024, [Caquetá, Putumayo, and Huila lawmakers](#) proposed enhancing the road network connecting the Amazon with the rest of the country and Ecuador. The [Superintendence of Transport](#) identified 43 authorized docks in Caquetá for passenger, tourist, school, and cargo river transport.

## INVESTMENT SECTORS:

<p><b>AGRICULTURAL SECTOR</b></p>	<p>Sugarcane and plantain are the department's most important <a href="#">permanent crops</a>. Meanwhile, cassava, corn, rice, and watermelon are the most significant <a href="#">temporary crops</a>. Moreover, the department has been experiencing a consolidation in the cultivation of <a href="#">açai palm and Brazil nut trees</a>.</p>
<p><b>LIVESTOCK SECTOR</b></p>	<p>The agricultural and livestock wealth of Caquetá stands out as a key opportunity for the department's development. Caquetá accounts for <a href="#">7%</a> of the national cattle census. Cattle farming in the department is primarily for breeding, <a href="#">milk production</a>, and its derivatives.</p>
<p><b>TOURISM AND COMMERCE SECTOR</b></p>	<p>The department has comparative advantages thanks to its offerings in nature tourism, wildlife watching, landscapes and plains, and the low incidence of ordinary crime. This <a href="#">tourism diversity</a>, in addition to attracting a greater flow of visitors and removing the stigma from Caquetá, also serves as <a href="#">economic support</a> for the peace signatories who seek to contribute to the department's labor and business dynamics.</p>

# CAQUETÁ 2023 RISK MAP



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|---------------------------|--------------------------|
| 1. Florencia              | 10. El Paujil            |
| 2. El Doncello            | 11. Curillo              |
| 3. Albania                | 12. Valparaiso           |
| 4. San Vicente del Caguán | 13. San José del Fragua  |
| 5. Belén de los Andaquíes | 14. Solano               |
| 6. Morelia                | 15. Cartagena del Chairá |
| 7. Solita                 | 16. La Montañita         |
| 8. Puerto Rico            |                          |
| 9. Milán                  |                          |



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