



## PUBLIC-PRIVATE PARTNERSHIP CASE STUDY

**Name of Partnership:** [Investing in Diversity Pays Off](#)

### Country Context:

Colombia has endured over 50 years of armed conflict leaving close to eight million victims in its wake. Afro-Colombian and indigenous populations have been disproportionately affected by the conflict, in many cases resulting in their forced displacement from their communities. Because of this, the majority of these vulnerable populations have moved from rural into the urban centers of the country. However, limited access to education and discriminatory practices hinder their ability to access the formal job market. Afro-Colombians represent 20% of the population but just 3% of the formal job market. Similarly, indigenous populations represent 3.4% of the population but just 1% of the formal job market. Thus, many of these populations are forced to pursue informal employment options, which result in fewer opportunities and a difficult-to-escape poverty trap.

Simultaneously, Colombia is categorized as a middle-income country and is the third largest economy in Latin America. Despite the country's economic success, Colombia is one of the most unequal countries in the region. One third of Colombians are poor (living on less than USD\$2 a day) and ten percent are extremely poor (living on less than USD\$1.25 a day). Extreme poverty in rural areas is as high as 23 percent, and this inequality is at the root of the 50-year conflict. Reducing inequality will be key to successful implementation of the agreement to end the conflict.

Given this unique context of extreme inequality fostered by long-term conflict, partnerships with local firms who generate wealth and employment, and who understand the context, are vitally important. USAID has strategically prioritized partnerships with local organizations because in taking a business approach, they create long-term economic opportunities, promote local ownership, and help ensure sustainability.

This is why the “**Investing in Diversity Pays Off**” partnership was co-created with the Government of Colombia (GOC), community-based organizations (CBOs), and Movistar Telefonica private sector company provide formal job opportunities to at-risk youth from ethnic minority communities living in urban centers. In many cases, these beneficiaries are victims of Colombia's armed conflict and have never received a regular salary, health insurance or pension benefits. Using a demand-driven approach, the partnership first identified companies with staffing needs and then designed training to provide beneficiaries with job-specific skills that employers are seeking.

### Partnership Structure:

There are four primary partners:

1. **Telefonica Movistar: Private Sector** brings the labor market, offering employment opportunities to qualified candidates who can meet the needs of these firms. The private sector benefits from staff with skill sets tailored to their requirements as well as strengthened workforce diversity, a practice that has proven to yield increased sales revenue, more customers, greater market share, and greater relative profit.

2. **Community Based Organizations (CBOs)** leverage their long-standing relationships with Afro-Colombian and indigenous communities to increase program participation, resulting in formal employment opportunities for vulnerable youth.
3. **Mayor's Office and GOC** agencies (nationally and locally) share workforce development and training costs while increasing investments that address the GOC priorities of reducing poverty and providing reparations for victims of the conflict.
4. **USAID/Colombia** shares workforce development and training costs, sharing the risks of businesses who might not otherwise be interested in engaging ethnic minorities in their workforce.

### **Measurable Impact:**

Samy, a hardworking and driven Afro-Colombian from a conflict-affected municipality, struggled to gain formal employment. At 23 years old, his personal motto was to *"get ahead in life."* Samy landed a spot in the partnership's health administration track. Barranquilla's clinics health allowed Samy to seamlessly transition from eight months of administration courses to an internship in the billing department. Today, Samy has *"gotten ahead,"* and his success is just one example of how the program is bringing economic stability to Colombia's marginalized populations.

The partnership's is part of large component within the ACIP Program (Afro-Colombian and Indigenous Program at USAID/Colombia) which measured the impact by the number of formal jobs generated (10,000), number of companies hiring urban ACI youth (1,500), and number of companies developing diversity protocols (91). In addition, a recent evaluation found that program beneficiaries (when compared to a control group) were 22% more likely to be employed, were 15% more likely to have a formal contract, benefited from a 64% greater increase in their monthly income from formal labor, and had greater food security.

In addition, Telefonica improved their workforce diversity serving as industry leaders by implementing workforce diversity policies. Telefonica Colombia CEO said, *"this partnership demonstrated that diversity does pay; we've become a more socially responsible corporation, helped our staff overcome racial stigmas, and increased our client base."*

### **Scalability:**

This partnership demonstrated that it is possible to create economic opportunities and benefits while breaking down deeply-rooted racial biases through workforce inclusion. It has proven that tailored training that responds to concrete staffing needs from the private sector, in coordination with awareness-raising on the benefits of diversity, can serve as a powerful tool to break down racial stereotypes and encourage companies to embrace workforce diversity.

Regarding public sector support, the partnership can absolutely be replicated in other areas of Colombia or in other countries. In fact, the municipal governments of three major cities (Cali, Cartagena, and Barranquilla) have committed \$5 million in resources to continue the program, expanding to an additional 3,000 beneficiaries covering all marginalized populations, including demobilized ex-combatants and victims of the conflict. This local ownership is especially important because their commitment to continue this work demonstrates not just scalability but sustainability as well.