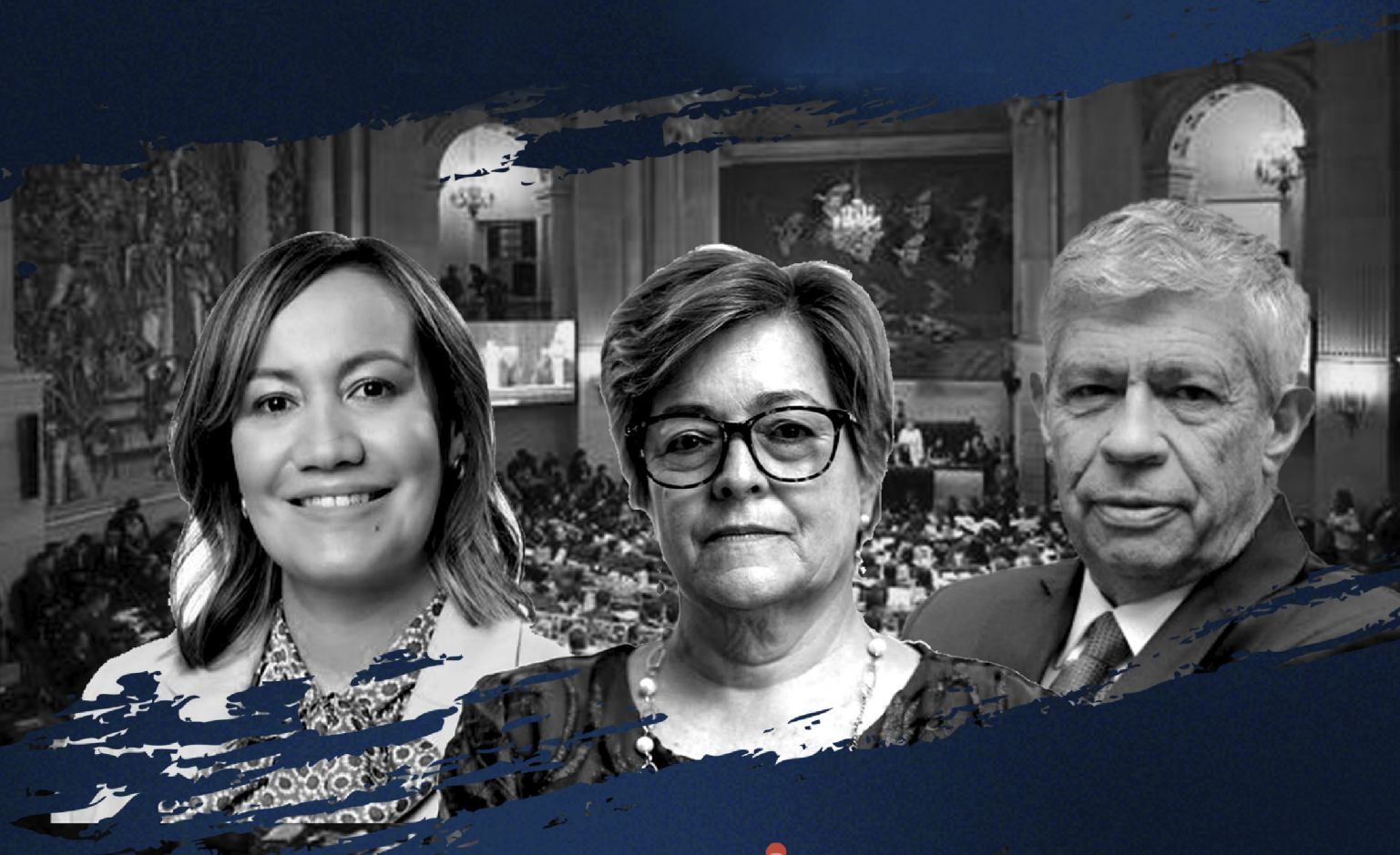


THE YEAR OF THE REFORMS:

COLOMBIAN CONGRESS KICKS-OFF



vali



On March 16th, the second legislative period of the first year in the Congress of the Republic began. This period is marked by a robust legislative agenda from the National Government. In keeping with the promises made during the election campaign, President Gustavo Petro and his ministers have submitted three major reforms on health, labor and pension issues; he has also established the need to successfully achieve the approvals of projects such as political reform, international agreements, peasants as subjects of law, among others.

This year has two important particularities: Firstly, the departmental and municipal elections generate a need for the different political parties to consolidate their electorate. Secondly, the Government has to propose and establish the route for the four-year term and advance in as many bills as possible to consolidate its legacy (considering that in spite of the criticisms it has important majorities in the Congress). However, in order to complete the processing of all its initiatives,

the Government will have to generate partisan agreements.

In this context, the National Government summoned Congress to extraordinary sessions last February 6th, through Decree 0160 of 2023, with the purpose of promoting the passage of 14 legislative initiatives, such as the National Development Plan 2022-2026 (public policy roadmap), the budget addition bill, international agreements, and the prohibition of fracking, among others. After this summoning, the Health Reform was submitted and raised great debates facing criticism from different political sectors. Furthermore, of the 14 bills submitted, only 1 was approved in its first debate (investment agreement between Colombia and Venezuela) whilst public hearings were held for the health reform and the penitentiary humanization policy. In addition, working groups were held with the coordinators and sponsors of the National Development Plan to prepare the draft report for its first debate.

For these reasons, from Vali Consultores, a government and public affairs consulting firm, we present an analysis of the second legislative period beginning in Congress. The analysis is divided into two parts: the first, is about how the extraordinary sessions were developed and their implications for the political forces, and the second part is an outlook for the second ordinary period that began on March 16th.

PART

EXTRAORDINARY SESSIONS AND
POLITICAL PARTIES DYNAMICS

LEGISLATIVE PROCESS ON BILLS SUBMITTED DURING EXTRAORDINARY SESSIONS

Below we present the main bills prioritized by the National Government as of Decree 0160 of 2023. Except for the Investment Agreement between Venezuela and Colombia, no progress has been made in terms of voting on the bills. However, the main points of discussion on which the parties have expressed their views have been established. Among these, the extraordinary powers for the executive to develop certain public policies adopted in the National Development Plan, the Health Reform and the fracking prohibition project are included. As previously mentioned, the discussions of the prioritized initiatives focused on some projects more than others, the following section will focus on the processing of initiatives such as:

Bill 339/2023 House of Representatives "Health System Transformation in Colombia"

The discussion within the extraordinary sessions has been largely focused on the processing of the Health Reform bill presented by Health Minister Carolina Corcho, last February 13th. The National Government has defended its initiative, summoning its electoral base and mobilizing it through protest to legitimize the legislative agenda.

The first discussion that arose after the filing of the text was the legal nature of the bill, as it is not clear if it modifies fundamental rights, which will change the committee in which the bill must be discussed. As thing stands the bill will be discussed on the VII committee presided by a member of the government party. Furthermore, a letter was submitted to the House of Representatives, signed by members of various political forces who warned that the legislative transit should be through a Statutory bill (fundamental rights), since the Reform essentially restructures the fundamental right to health. Thus, the bill would have to be discussed in the First Committee which deals with fundamental rights issues.

Moreover, traditional parties which belong to the government coalition (Conservador, Partido de la U and Partido Liberal), stated that they would not vote positively in the discussions if the proposals made by the presidents of the parties were not accepted. Based on the proposal presented, the government agreed to reach agreements with the political parties prior to the submission of the bill for the first debate.

Bill 338/2023 House of Representatives - 274/2023 Senate, 'National Development Plan: 'Colombia Potencia Mundial de la Vida'

On February 6th, the National Development Plan, text containing the bases and guidelines for public policy proposed for the four-year term of the incumbent government, was submitted. Current Colombian law establishes that the bill has 90 days, from the date of submission, to be discussed and approved. Considering the chronological order, the bill must be approved on its first debate in the Joint Economic Committees (Third and Fourth Commissions of the House and Senate) in 45 days at the latest, that is, before March 23rd. Thus, the approval in the floor sessions of both chambers must be before May 7th.

Regarding the socialization of the National Development Plan with different interest groups (civil society and productive sectors), political accountability debates have been held in which the ministers of Commerce, Defense, Labor, Transportation and Foreign Affairs have been summoned to analyze the project and the sectorial objectives presented in the document. Likewise, public hearings have been convened to listen to the different perspectives of the social sectors, which have served as input for the construction of the first debate report.

Furthermore, despite certain concerns about the extraordinary powers for the executive branch contained in the National Development Plan, expressed by some of the members of Congress, the projection of the roadmap at the regional level will be one of the central aspects of the discussion.

HOW DID POLITICAL PARTIES CONDUCTED DURING EXTRAORDINARY SESSIONS?

In the framework of the legislative recess and the call for extraordinary sessions, one of the first frictions within the Government coalition was related to the health reform. Parties such as the Partido Conservador, Partido de La U and Partido Liberal have taken distance from the proposal presented by the Government. Furthermore, the first departures from the Ministerial Cabinet were generated by disagreements about the proposal as well. This scenario brought about a reconfiguration in the negotiations in Congress.

Moreover, Gustavo Petro's governability depends on the relation between his Ministerial Cabinet and the Legislative Branch. Thus, even if the Government Parties maintain their majorities, they must facilitate negotiation mechanisms on the "non-negotiable" points and the agenda of the government coalition parties. Such is the case of the Partido Liberal and Partido Conservador, which established their "red lines" and "blue lines"; their non-negotiable points towards the National Government about the legislative initiatives, especially on Health Reform. Considering the above, the following section will present the dynamics inside of the political forces and the way that the discussions were held during extraordinary sessions in Congress.

PACTO HISTÓRICO

The party that leads the Government coalition in Congress has set in motion spaces of coordination and articulation together with different Ministerial Agendas. The "Spiritual Retreats" as the Government called them have allowed the establishment of an organized coalition with the goal to advance in the proposals of the National Government during the extraordinary and ordinary sessions. However, the leader of the party in the legislature and the president of the Senate, Roy Barreras, highlighted his concerns about the "ideologized" government proposals.

Furthermore, Pacto Histórico members disagreed upon the relationship between government and traditional Colombian political leaders such as Dilian Francisca Toro, president of Partido de la U. Furthermore, Gustavo Bolívar (Pacto Histórico ex-senator and political leader) argued that Roy Barreras is weakening the political cause of the Pacto Histórico for the elections of October 2023 and the new legislative period.

ALIANZA VERDE

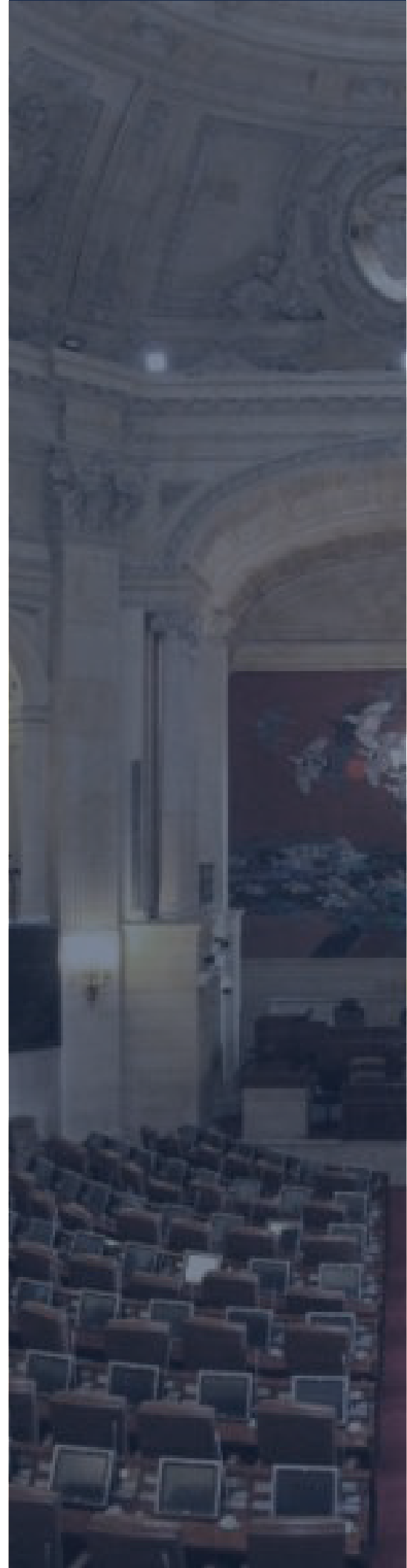
This is the first time that the Alianza Verde party has declared itself as Government Coalition in Congress. During the legislative recess and the extraordinary sessions, Alianza Verde has split in two. The first side has been willing and facilitating the legislative initiatives presented by the government, with the figures such as Representative Katherine Miranda, president of the Economic Committee's in the House of Representatives, who led the Tax reform discussions in the government favor. On the other hand, figures such as Senators, Angélica Lozano and Jota Pe Hernández, and Representative Catherine Juvinao, have backed away from some key bills of Gustavo Petro 's Government.

PARTIDO LIBERAL

Partido Liberal comes from an important legislative period, in which it maintained a relationship with the Executive. However, during the legislative recess, the party delimited their "red lines" in non-negotiable points towards the National Government legislative initiatives. Recently, the organization has been meeting to align their interests towards the new structural reforms proposed by Gustavo Petro's Government. One of the forms of alignment of the party was to apply the Ley de Bancadas (which is a law that indicates that political parties must vote as a coalition) in the voting of the Health Care Reform. Likewise, they have created spaces to present proposals in the National Development Plan, which will allow them to participate in the regional and departmental agendas within the discussions, considering the upcoming elections of mayors and governors in October 2023.

CENTRO DEMOCRÁTICO

Centro Democrático continues to be the main political opposition party force, it has manifested itself through mechanisms and strategies aimed at political control and public opinion. Such as the new impeachment against the Minister of Mines and Energy, and the recent implementation of the Opposition Bylaw, through the reply to Gustavo Petro's presidential speech on February 27th.





PARTIDO DE LA U

Partido de la U has been an essential political party in the congressional majorities. The party's president, Dilian Francisca Toro and the members of the party have gathered with National Government members such as, Gustavo Petro, Alfonso Prada, minister of the Internal Affairs and José Antonio Ocampo, minister of Finance. Within these discussions, Partido de la U has raised the non-negotiables that they will defend in this new legislature. Partido de la U continues to declare itself as a pro government party, however, they will try to prioritize the interests of the organization, not only at regional level but also in strategic issues, such as health.

PARTIDO CONSERVADOR

Partido Conservador comes from a change of leadership during the legislative recess. The senator, Carlos Andrés Trujillo is no longer the president of the party. In recent days, Partido Conservador announced that senator, Efraín Cepeda will be the new president of this party. This change not only indicates a redirection in the approach of the "blue lines" but also the relationship with the Executive. Some members of the organization showed their disagreement with senator Trujillo's leadership, thus Partido Conservador will be critical during the legislative period.

CAMBIO RADICAL

In recent days, Cambio Radical declared itself as an opposition party, hence it will continue to be one of the political parties to counterweight government initiatives in the Colombian Congress. During the extraordinary sessions, they executed different mechanisms of interference within the legislature, such as the submission of the health counter-reform. Furthermore, party leader Germán Vargas Lleras (former vice-president) came back to the public debate. All the above, to equalize and balance forces in key issues.

PART

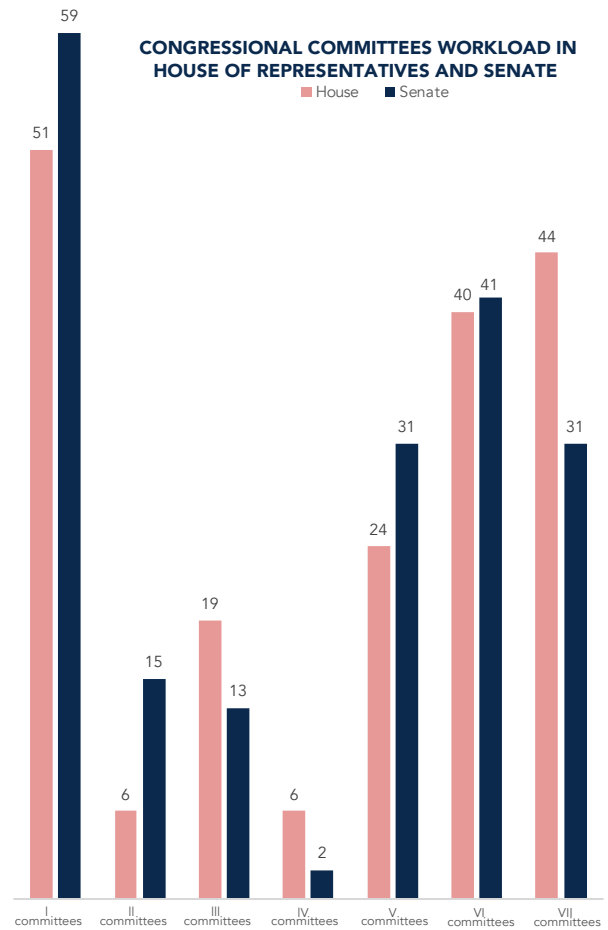
SECOND LEGISLATIVE TERM
2022-2023: START OF REGULAR
SESSIONS

On March 16th, the ordinary sessions of the Congress of the Republic 2022-2026 began, and thus the second period of the legislature, in which an important reform agenda for Colombia is projected. Regional elections will also be held in the second period of the year. Likewise, pending debates from the previous period will be resumed, such as the Legislative Act Projects (constitutional amendment) that must finish their last discussions or they would be filed, such initiatives include Political Reform, peasantry as subjects of rights, agrarian jurisdiction and cannabis regulation.

Thus, Vali Consultores presents an analysis of the status of the legislative process, the main topics, the dynamics of the process in the committees and the floor sessions. In this way, we show the scenario for the beginning of the second legislative period in Congress.

It becomes apparent that: the committees that begin this legislative period with a greater number of bills are the First, Fifth, Sixth and Seventh Committees, due to the relevance and scope of the issues treated. The First Committees deal with human rights, reforms to the Constitution and statutory laws; the Fifth Committees deal with environment, natural resources, mines and energy; the Sixth Committees deal with public services, telecommunications, digital platforms, education and transportation; and the Seventh Committees deal with social security, health, housing, recreation and sports.

In contrast, the committees with the lowest number of legislative initiatives are the Second, Third and Fourth Committees, which deal with international policy and international agreements; finance and public credit and economic issues; organic budget laws and fiscal control, respectively.

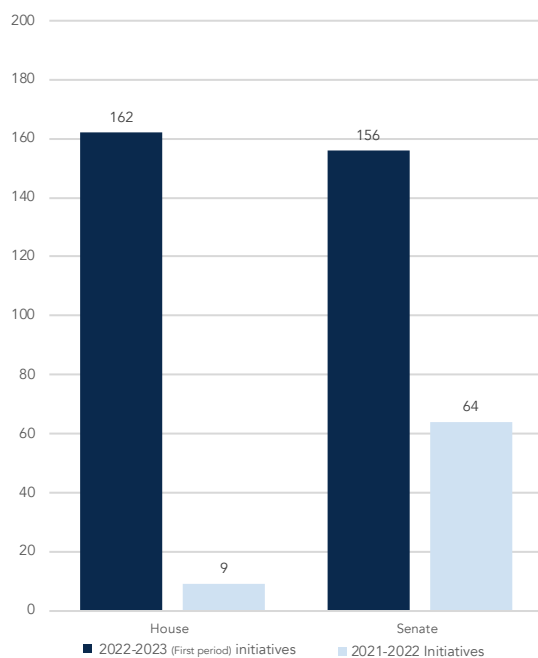


Graph 1. Prepared by Vali Consultores, with data from the Senate of the Republic and the House of Representatives.

Furthermore, this new legislative period is essential to process some bills that could be filed due to time. Such is the case of those initiatives that have not advanced in their first debate or that are in their second legislative year. Currently, 749 bills are being processed, of which 394 are at risk of being filed, that is, 52%. Hence, Congress will have a robust legislative agenda to discuss, which should be focused not only on processing the initiatives of the National Government but also on accomplishing its own road map.

Moreover, within the total number of initiatives to be discussed, 19% come from the 2021-2022 legislative period, and the other 81% of them were submitted and some of them discussed in the 2022-2023 legislative period.

BILLS WITH POSSIBILITIES TO BE FILED GIVEN THEIR FAILURE TO COMPLY WITH LEGISLATIVE TIMEFRAMES



Graph 2. Prepared by Vali Consultores, with data from the Senate of the Republic and the House of Representatives.

KEY INITIATIVES THAT CONTINUE THEIR PROCESSES DURING THIS PERIOD

Gustavo Petro’s government arrives at the ordinary sessions with an important legislative agenda to seek the approval of its roadmap. It will also seek to generate substantial changes in different aspects of the economic and social reality of the country, and to finalize the approval of projects and initiatives from the first legislative period of the four-year term.

MOST RELEVANT PROJECTS OF THE NATIONAL GOVERNMENT IN CONGRESS

BILLS	KEY POINTS FOR DISCUSSION	TIMETABLE
Political Reform	<ul style="list-style-type: none"> - Political campaign financing (predominantly state financing). -Preference to closed and parity lists. -Attorney General's Office loses legislative functions. -Congressmen may resign to hold public office. 	<p>It was approved in the first round in the first legislative period.</p> <p>It has four more debates in Congress. Two in the House of Representatives and two in the Senate. Starting in the Senate</p>
Peasantry Rights	<ul style="list-style-type: none"> -It elevates the peasantry to a constitutional rank. -The right to land and peasant territoriality is recognized. -The State shall promote access to health, education, housing, public services, etc. -It integrates different dimensions of the economy, such as the productive transformation of their crops and marketing strategies. 	<p>It was approved in the first round in the first legislative period.</p> <p>It has four more debates in Congress. Two in the House of Representatives and two in the Senate. Starting in the Senate.</p>
Electoral code Reform	<ul style="list-style-type: none"> -Digital restructuring of the electoral system, through electronic voting and early digital voting. -Gender parity and equality in political parties. -Establishes a longer voting day. 	<p>Several public hearings have been held in the First Committee of the Senate, however, its discussion is scheduled for March 2023.</p>

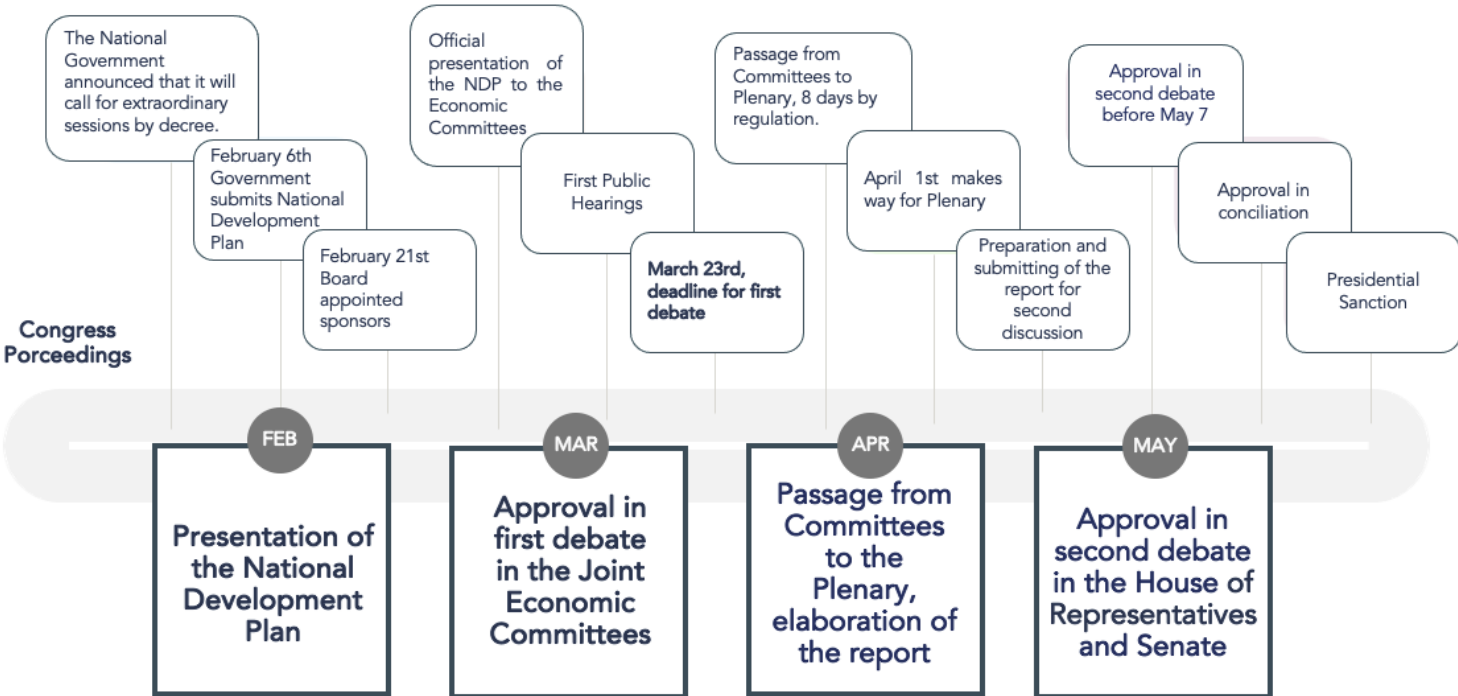
Health Reform	<ul style="list-style-type: none"> -Elimination of the Private health care centers funded by public resources. -Resources will be administered through ADRES (Administradora de los Recursos del Sistema General de Seguridad Social en Salud- Ensure public resources transfers to private health care providers). -Creation of regional funds, which will be allocated resources. -Administrative procedures will be assumed by the Primary Care Center. 	It was presented on February 13 th and public hearings have been held in the Seventh Committee and regional technical roundtables.
Labor Reform	<ul style="list-style-type: none"> -Labor formalization: Rural labor, formalization, gender gaps, collective bargaining. -Regularization and formalization of labor in digital platforms. 	It was presented on March 16.
Pensions Reform	<ul style="list-style-type: none"> -Solidarity Pillar with a basic income corresponding to half a minimum wage for people who cannot reach a pension. -Contributory Pillar for people earning up to four minimum wages. -Economic income for the elderly. 	It was be presented on March 22.

Table based on the monitoring of ordinary and statutory bills and draft legislative acts submitted by the National Government.

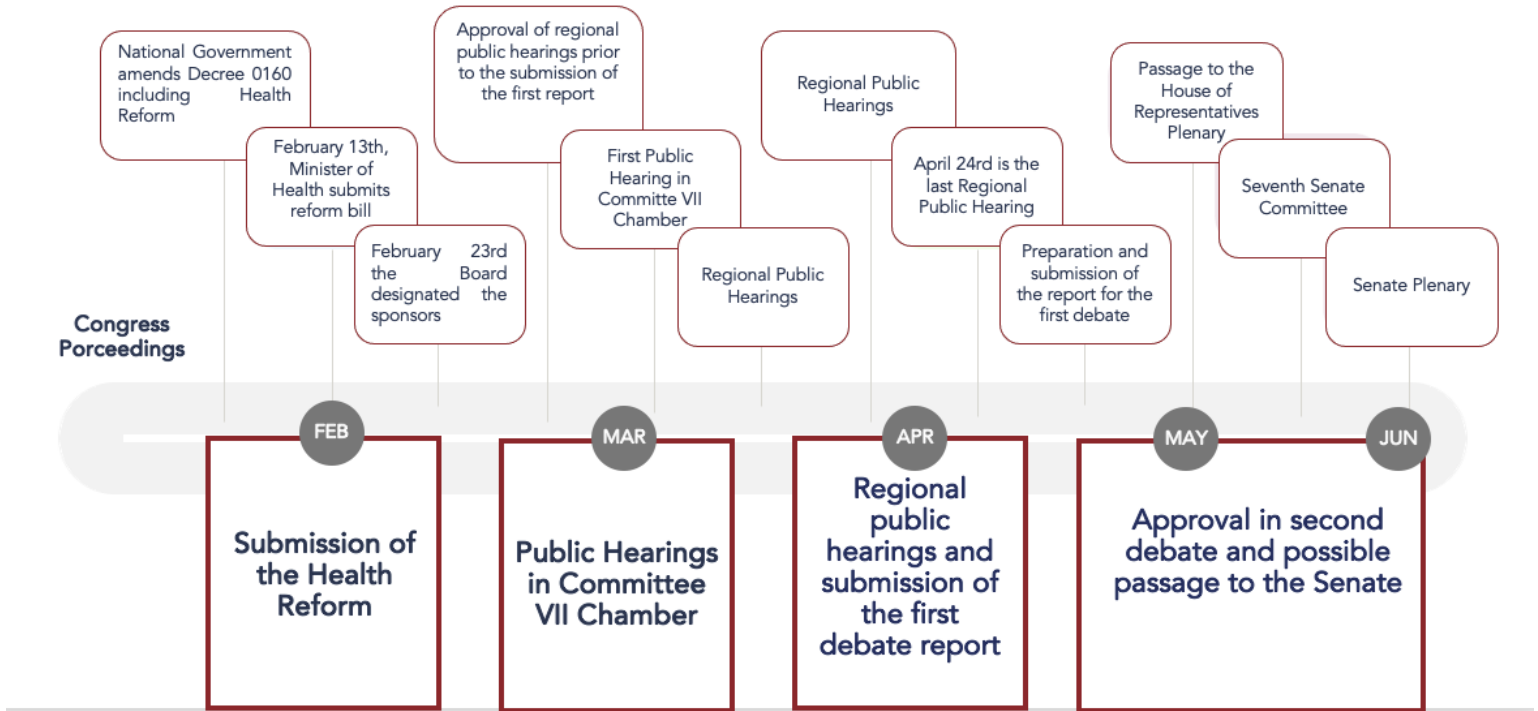
TIMELINE OF THE STRUCTURAL REFORMS IN CONGRESS

From Vali Consultores, we present the Timeline of the Structural Reforms proposed by the National Government within the Congress, assuming that the efforts will be concentrated within this legislative period that ends on June 20th, 2023. Likewise, it is important to consider the context and panorama of regional elections coming up in October 2023. For this reason, the Government will prioritize the passage of its transformative initiatives within the legislature.

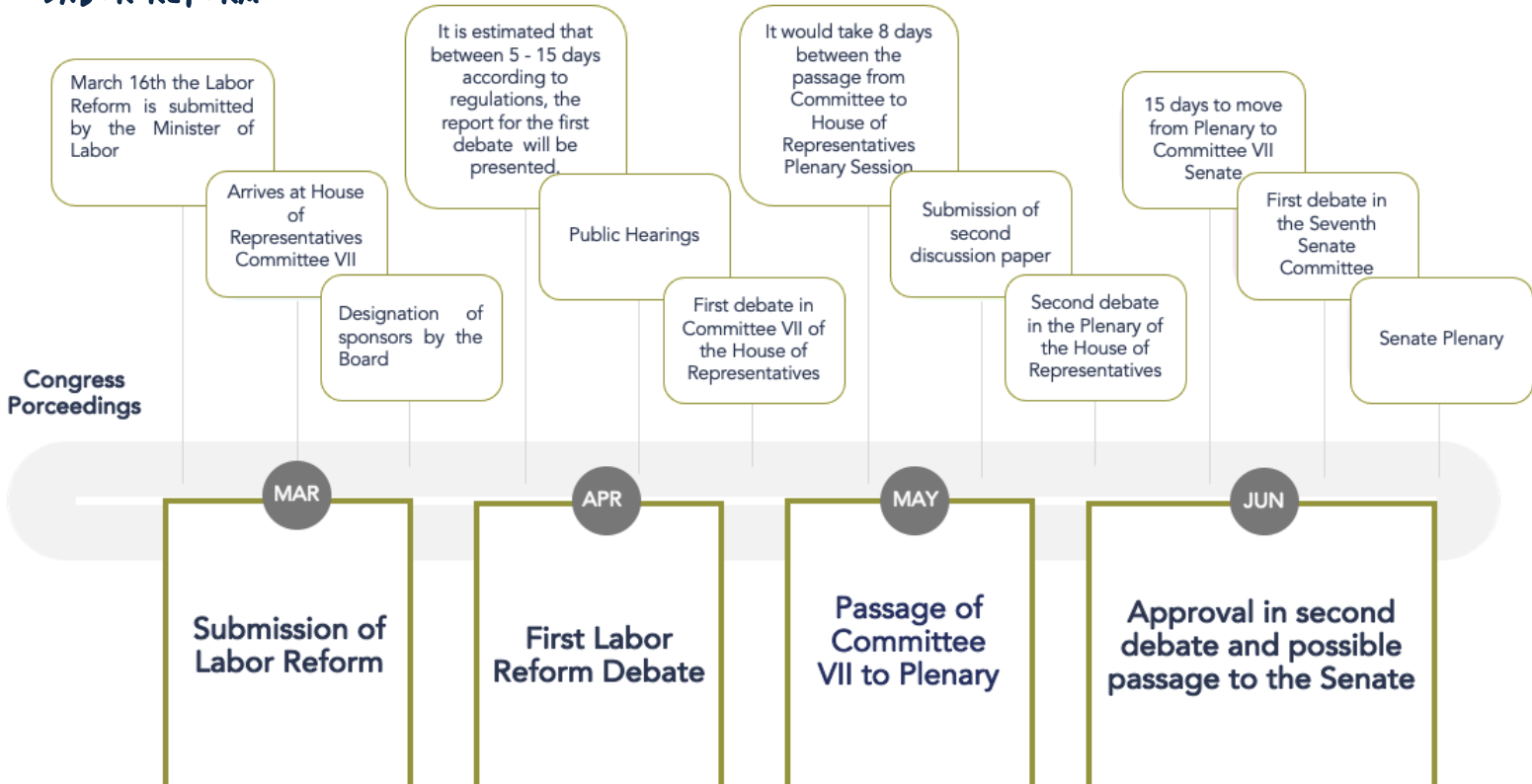
NATIONAL DEVELOPMENT PLAN 2022 - 2026



HEALTH REFORM



LABOR REFORM



FINAL CONSIDERATIONS: STRATEGIES AND NEGOTIATION MECHANISMS

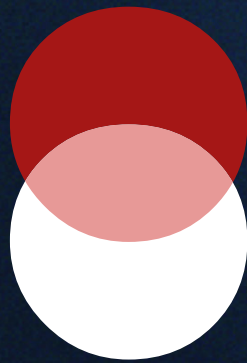
As usual in the first year of a government, the priority will be to consolidate a series of reforms that will allow it to work on its roadmap during the four-year term. The Congress will be fundamental during this first year of government, as it must seek to maintain its consolidated majorities to support legislative initiatives.

The second package of reforms (labor and pensions reform) with which the executive seeks to materialize the main points of its government plan has required the maintenance of the alliances it had in the previous legislative period. Thus, the government has held meetings with the government coalition parties, socializing the most important initiatives and gathering comments to facilitate their legislative passage to move forward on the rest of its agenda, building consensus to facilitate the construction of reports within the committees and floor sessions, as well as the discussions.

The number of initiatives to be promoted and the pressure of the parties' own agendas within the framework of the debates on the National Development Plan have required early action by the Government in terms of consolidating support. The Minister of Internal Affairs, Alfonso Prada, has overseen leading the defense and socialization of the main initiatives, coordinating spaces with Alianza Verde, Partido Conservador, Partido Liberal, Partido de La U and Pacto Histórico itself since January of this year. Moreover, the National Development Plan legislative passage opens the opportunity for negotiation between the legislature and the executive, providing a greater margin of action for the channeling of congressmen and their parties agendas, which may be beneficial for the discussion of the other initiatives and their most critical points.

The executive will have to prioritize the most relevant projects for its government plan. Thus, the Government has had the need to be more receptive in this second period to the proposals and comments that arise from the different points of the coalition, while maintaining its determination to promote as many initiatives as possible.

Considering this, The Government has also strategically sought Pacto Histórico support, since its high number of seats in both chambers and its control over some of the presidencies and vice-presidencies of the committees Boards, is a way to ensure the defense of the bills, shielding them from the substantial adjustments that may be made in the proposals and propositions to the initiatives. This, considering the "red flags" that have started to be shown by the different parties in the public debate, which advocate for more moderate changes in social security and justice, as is the case of the Health Reform and the Humanization of the Criminal and Penitentiary Policy.




FOR MORE INFORMATION CONTACT US

(+57) 3182312453
[HTTPS://VALICONSULTORES.COM/ES](https://valiconsultores.com/es)

 @VALICONSULTANT

CRA 14 # 85-68 / OF 604
CONTACTO@VALICONSULTORES.COM

 VALICONSULTORES/