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A Report to Congress on United States Policy Towards Colombia and Other Related Issues

**Submitted to the Congress
by the Secretary of State,
in consultation with the Secretary of Defense,
pursuant to House Conference Report 107-593
accompanying HR 4775 enacted as the
2002 Supplemental Appropriations Act
P.L. 107-206**

Prepared by the U.S. Department of State

**United States Policy Towards Colombia
and Other Related Issues**

Feb. 03, 2003

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Introduction

House Conference Report 107-593 accompanying HR 4775, subsequently enacted as the 2002 Supplemental Appropriations Act For Further Recovery From and Response to Terrorist Attacks on the United States (P.L. 107-206), on pages 152-153, expressed the Managers' concern that "the Administration has inadequately articulated clear objectives of U.S. policy in Colombia, what actions would be required, and what it would cost to achieve those objectives."

The Managers therefore directed that the Secretary of State, in consultation with the Secretary of Defense, submit a report describing in detail:

- (1) the President's policy towards Colombia, the objectives of that policy, and the actions required by and the expected financial costs to the United State, Colombia, and any other country or entity to achieve those objectives; and the expected time schedule for achieving those objectives;
- (2) specific benchmarks for measuring progress toward achieving the objectives of the President's policy;
- (3) the expected reduction, if any, in the amount of cocaine and heroin entering the United States as a result of the Andean Counterdrug Initiative within the expected time schedule; and
- (4) the mission and objectives of United States Armed Forces personnel and civilian contractors employed by the United States in connection with such assistance, and the threats to their safety in Colombia.

Administration representatives from the Department of State, the Department of Defense, the Office of National Drug Control Policy, the U.S. Agency for International Development, and others, have testified before Congress and met with many Senators, Representatives and staff on these questions.

President Alvaro Uribe of Colombia, during his visit to the United States in September 2002, also met with Senators and Representatives and provided his views on developments in Colombia and plans for his government. The Department of State has also provided a separate report to Congress, pursuant to Section 601(b) of the 2002 Supplemental Appropriations Act, on President Uribe's determination to take a number of specific actions, many of which are already underway.

Congress has been a key partner in our efforts to help Colombia and this report offers an opportunity to address more fully Congress' concerns.

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United States Policy Towards Colombia

U.S. policy towards Colombia supports the Colombian Government's efforts to strengthen its democratic institutions, promote respect for human rights and the rule of law, intensify counter-narcotics efforts, foster socio-economic development, address immediate humanitarian needs, and end the threats to democracy posed by narcotics trafficking and terrorism.

This policy reflects the continuing bipartisan support received from the Congress for our programs in Colombia.

Before addressing U.S. policy objectives in more detail, it would be useful to describe Colombia's importance to the United States, the challenges it faces and its response to those challenges.

Why Colombia Matters

At the 2001 Quebec Summit of the Americas, President Bush and the 33 other freely elected leaders of this hemisphere forged a common vision of democratic governance and free trade. There exists a remarkable hemispheric consensus in favor of democracy, the rule of law, human rights and economic progress through market economies and free trade.

Despite this broad consensus, democratic institutions face a wide variety of challenges throughout the hemisphere, and nowhere are these more serious than in Colombia, where the government, civil society and people are under attack by illegal armed groups of narcotics traffickers and terrorists, who are often one and the same, and whose methods include murder, kidnapping, extortion, and bombing.

In addition to our support for a democratic government under assault, and one with which we have strong and longstanding ties, Colombia is important to the United States for a number of other reasons:

- Colombia is responsible for some 75% of the world's cocaine production and 90% of the cocaine entering the United States is produced in Colombia or passes through Colombia. It is also a significant source of heroin. There were 50,000 drug-related deaths in the United States in 2000; the United States suffered \$160 billion in economic losses in the same year due to illicit drug use.
- Terrorism in Colombia both supports and draws resources from the narcotics industry, kidnapping and extortion, threatening U.S. citizens and economic interests. Colombia's terrorist groups have kidnapped 51 American citizens since 1992, and killed 10.
- Terrorist attacks resulted in over 3,000 Colombians killed in 2001. Another 2,856 were kidnapped, with the FARC (Revolutionary Armed Forces of Colombia), the ELN (National Liberation Army) and the AUC (United Self-Defense Forces of Colombia), responsible for almost 2,000 of these. Among the kidnap victims were 289 children, the youngest of whom was only three years old.

Beyond drug trafficking, terrorism, illegal arms smuggling, and other criminal activities, there are broad and important U.S. national interests in Colombia that include stability in the Andean region, trade, immigration, human rights, humanitarian assistance, and protection of the environment.

- Colombia has four times the land area of California and a population of over 40 million people. Its gross domestic

product is more than \$90 billion a year.

- Two-way trade between the United States and Colombia was

Over \$11 billion in 2001, with direct U.S. investment of more than \$4 billion.

- Colombia has important reserves of petroleum, natural gas and coal.
- An estimated 50,000 U.S. citizens live in Colombia.
- Colombia's unique eco-system and environment are increasingly threatened by cultivation of illicit drugs, whether it is the slash and burn cutting of tropical forest reserves or the toxic chemicals poured by narcotics processing into streams and rivers.

The Challenges it Faces

Colombia's problems are complex and do not lend themselves to any easy or rapid solution. The country's present-day troubles reflect numerous, deeply-rooted problems including limited or non-existent government presence and law enforcement capability in large areas of the interior, the dramatic expansion of illicit drug cultivation contributing to endemic violence, and deep social and economic inequities.

Yet, it is the growing threat posed by the country's three designated terrorist organizations, the AUC, ELN, and FARC, and fueled by narcotics trafficking, extortion and kidnapping, that today most directly affects Colombia's ability to resolve its people's economic and social needs.

The ongoing terrorist offensive against democratic institutions and civil society has had tragic costs within Colombia. Each year the AUC, ELN and FARC kill more than 3,000 persons. Their victims have included judges and prosecutors, journalists, labor union leaders and human rights workers, soldiers, police, and ordinary citizens. Even clerics and Red Cross workers not been exempt from the violence. Before his election, the FARC attempted to assassinate then-candidate Alvaro Uribe on several occasions and it mounted an attack at his inauguration. The FARC still holds kidnapped then-Presidential candidate Ingrid Betancourt, whose present whereabouts are unknown.

...and Colombia's Response

Nevertheless, Colombia is far from being a "failed state." Its vigorous democracy is addressing the country's many problems. The Colombian people, through their elected leaders, are working to reform the nation's political and legal systems, promote socio-economic development, protect human rights, provide help to displaced persons, enlarge and professionalize the security forces and combat narcoterrorism.

In 1999, then-President Andres Pastrana took the initiative in responding to the crisis undermining Colombia's democratic system, prosperity and security by developing a long-term program which he called "Plan Colombia." It was a comprehensive strategy to deal with the country's longstanding, mutually reinforcing problems and called for: substantial social investment; judicial, political and economic reforms; renewed efforts to combat narcotics trafficking; and included some important first steps towards modernizing Colombia's Armed Forces.

The United States strongly supported Plan Colombia's objectives of combating the narcotics industry, promoting peace, reviving the economy, improving respect for human rights and strengthening the democratic and social institutions of the country with a \$1.3 billion assistance package enacted in July 2000.

The impressive first round electoral victory, on May 26, 2002, by Alvaro Uribe confirmed the Colombian public's apparent recognition that greater domestic sacrifices would be needed to end the violence and its readiness to support a more vigorous and unified campaign against terrorism and narcotics trafficking.

After assuming office on August 7, 2002, President Uribe appointed a cabinet distinguished by its expertise and emphasis on results, and took a number of immediate steps.

Soon after his inauguration, in accordance with Colombian law, President Uribe decreed a "State of Internal Disturbance" under which the government then imposed a one-time tax on the wealthiest segment of Colombians. This tax is expected to yield the equivalent of 1.2 percent of gross domestic product (GDP), between \$800 million and \$1 billion, to be dedicated exclusively to

security.

President Uribe's 2003 budget also calls for increased government defense expenditures which would increase military and police spending from 3.5% this year to a goal of 5.8% of GDP in 2003. The United States and Colombia recognize more will need to be done, but these are decisive first steps.

Additionally, the Uribe Administration has introduced an extensive, longer term tax and pension reform package, which has been submitted to the Colombian Congress, and is moving to cut bureaucratic overhead by seeking congressional and public approval in a referendum to reduce government operating costs.

Still, Colombia will continue to need substantial U.S. help and support if it is to succeed in defending its democracy and the rule of law from narco-traffickers and terrorists, improve respect for human rights and promote economic and social development. On September 19, 2002, President Uribe wrote President Bush and, consistent with section 601(b)(1) of the 2002 Supplemental Appropriations Act, stated that his government will:

- establish comprehensive policies to eliminate the cultivation and manufacturing of and trafficking in illicit drugs (especially in terms of providing economic opportunities offering financially viable and sustainable alternatives to illicit cultivation) and to strengthen the presence of the Colombian State and to ensure the primacy of the rule of law and respect for human rights throughout Colombian territory, especially in areas under the influence of guerrilla and illegal self-defense groups;
- adopt major reforms with respect to the budget and personnel of the Colombian military forces; and
- furnish significant additional financial and other resources to implement those policies and reforms, (especially in order to meet its earlier commitments with regard to previously earmarked Plan Colombia assistance).

President Uribe also stressed the priority his government assigns to complementing its security efforts with sustainable rural development programs, based on a comprehensive approach to regional social and economic development and to security. In writing to President Bush, he added that these programs would be focused on regions of strategic importance to the country, with special consideration given to vulnerable segments of the population, such as indigenous peoples, victims of violence and displaced persons.

The Government of Colombia, under President Uribe's instructions, is completing a broad national security strategy which includes those elements described above as well as others needed to undertake a comprehensive campaign to counter the actions of armed groups engaged in illegal activities such as terrorism and drug production and trafficking that have plagued Colombia for years. The strategy includes commitments to respect human rights, dedicate more resources to the Colombian Armed Forces, and reform the conscription laws to make military service universal and fairer. These initiatives will build on the restructuring of the Armed Forces begun during the administration of President Pastrana (1998-2002).

President Uribe stressed that Colombia is undertaking these commitments to ensure the effectiveness of joint efforts with the United States Government to achieve our common goals in combating narcotics trafficking and terrorism.

During his visit to Washington in late September 2002, President Uribe met with President Bush and members of the Cabinet as well as Senators and Representatives and the majority and minority leadership. The Administration conveyed to President Uribe its strong support for the policies he has articulated.

United States Policy Objectives

The United States shares Colombia's vision of a prosperous democracy, free from the scourges of narcotics and terrorism, which respects human rights and the rule of law.

To help Colombia's democracy achieve these aims, U.S. objectives include programs that will:

- Continue assistance to combat illicit drugs and terrorism, defend human rights, promote economic, social and alternative development initiatives, reform and strengthen the administration of justice, and assist the internally displaced;
- Enhance counterterrorism capability by providing advice, assistance, training and equipment, and intelligence support to the Colombian Armed Forces and the Colombian National Police through ongoing programs as well as implementing the new authorities and the pipeline protection program; and

- Promote economic growth and development through support for market-based policies and implementation of the Free Trade Area of the Americas (FTAA) and the Andean Trade Preferences Act (ATPA) as well as the Andean Trade Program and Drug Eradication Act (ATPDEA).
- Substantially reduce the production and trafficking of cocaine and heroin from Colombia by strengthening counter-narcotics programs that: assist with eradication of illegal coca and opium poppy; advise, train, and assist counterdrug organizations and units; dismantle drug trafficking organizations; disrupt the transportation of illegal drugs, precursor and essential chemicals, trafficker supplies, and cash; address major cultivation regions; and respond rapidly to shifts in cultivation regions;
- Increase institutional development, professionalization, and enlargement of Colombian security forces to permit the exercise of governmental authority throughout the national territory while ensuring respect for human rights;

The United States is committed to helping Colombia in its fight against narcotics trafficking and terrorism through these assistance programs. United States policy responds to Colombia's social, economic, governmental, narcotics and terrorism challenges in a balanced and comprehensive manner.

Our support reinforces, but does not substitute for, the broader efforts of Colombian government and society, and is provided in accordance with legislation that includes:

- Title III, Chapter 2 of the Emergency Supplemental Act, 2000, enacted in the Military Construction Appropriations Act, 2001, (P.L. 106-246);
- Title II of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002,

(P.L. 107-115); and

- The 2002 Supplemental Appropriations Act, (P.L. 107-206).
- The 2003 Department of Defense Appropriations Act

(P.L. 107-248)

To support U.S. policy, goals and objectives, the United States has undertaken a wide variety of programs assisting Colombia. These provide training, equipment, infrastructure development, funding, and expertise to the Government of Colombia and Colombian civil society in areas that include alternative development, interdiction, eradication, law enforcement, institutional strengthening, judicial reform, human rights, humanitarian assistance for displaced persons, local governance, anti-corruption, conflict management and peace promotion, the rehabilitation of child soldiers, and preservation of the environment.

In implementing these programs, the Administration and Congress increasingly came to understand that the terrorist and narcotics problems in Colombia are intertwined and must be dealt with as a whole. Working with Congress, the Administration sought and Congress enacted new authorities in the 2002 Supplemental Appropriations Act that would help to more readily address the combined threat and facilitate the use of FY 2002 funds available for assistance to the Government of Colombia for supporting Colombia's unified campaign against narcotics trafficking and U.S.-designated terrorist organizations. These provisions also apply to the unexpired balances and assistance from prior years' Foreign Operations Appropriations Acts for Colombia and were renewed in the FY 2003 Department of Defense Appropriations Act.

In practical terms, the training, equipment, intelligence support and other U.S. programs described in this report will now be available to support Colombia's unified campaign against narcotics trafficking and designated terrorist organizations. The new authorities will provide some additional flexibility to help the Colombian government address narcotics trafficking and terrorism more efficiently and more effectively.

In doing so, the United States will continue its human rights vetting of all Colombian military units receiving U.S. assistance and will not exceed present statutory limits of 400 U.S. military personnel and 400 U.S. civilian contractors providing support to Plan Colombia.

U.S. Policy Achievements

In describing U.S. policy objectives it is also important to review the accomplishments U.S. programs have had in support for Plan Colombia. U.S. programs have provided Colombia with assistance to combat narcotrafficking, strengthen democratic institutions, protect human rights, help internally displaced persons, and foster socio-economic development. Although much remains to be accomplished, U.S. assistance to "Plan Colombia" has resulted in substantial progress to date, including:

- Deployment of the Colombian Army's First Counternarcotics Brigade (made mobile and effective by the simultaneous provision of USG-funded helicopters). This U.S.-trained brigade, arguably the best unit in the Colombian Army, is highly motivated and professional, and has also not been subject to any credible human rights abuse allegations. The brigade has moved aggressively against drug labs and other illegal facilities working in support of the Anti-Narcotics Directorate (DIRAN) of the Colombian National Police, as well as moving independently against narcotics and associated terrorist targets.
- Delivery has been completed of the 65 helicopters made available to the Colombian Army (54) and Colombian National Police (11) to support Plan Colombia under the 2000 Emergency Supplemental Appropriations Act (P.L. 106-246).
- The DIRAN continues its excellent record against trafficking organizations and drug processing labs, destroying some 84 HCL labs and over 1,000 base labs, as well as seizing nearly 23,000 kilos of cocaine, in CY 2001 alone. So far in 2002 the DIRAN has destroyed 51 HCL labs.
- Eight AT-802 spray aircraft are being acquired with funds from the 2000 Emergency Supplemental Act (P.L. 106-246), with 3 already in Colombia, 2 planned to arrive by the end of 2002, and 2 more by March 31, 2003. These new spray aircraft and the 9 OV-10's and 4 T-65's already available, are contributing to surpassing the record 94,000 hectares of coca crop sprayed in 2001. Aerial spraying figures for 2002 are well ahead of this and have already reached nearly 120,000 hectares. Voluntary eradication has accounted for another 9,000 hectares of coca.
- Recent reports from Putumayo Department indicates that the region's coca dependent economy has suffered a significant downturn. Business owners (a good general barometer) in four towns in the heart of the coca cultivation district complained that commerce was dying, and pointed to a major decrease in bus traffic, low occupancy rates in hotels, supermarkets moving less goods, fewer diners in restaurants, reductions in money transfers, and increases in loan defaults. There is also a reported upswing in the number of coca worker families leaving the area. While anecdotal, this information indicates that the spray program does appear to be disrupting the coca industry.
- Nearly 2,300 hectares of opium poppy have been sprayed so far this year, already more than in 2001, and the goal of 5,000 hectares should be reached.
- USAID alternative development assistance has been refocused to make it more effective; hectares of licit crops and livestock supported by this program increased from about 4,500 in mid-2002 to nearly 12,000 by the end of September. This quickened pace of implementation is expected to continue.
- We have opened 20 "Casas de Justicia" (Justice Centers) to provide cost-effective legal services to Colombians who have not previously enjoyed access to the country's judicial system.
- From May 2001 through October 2002, a USAID-funded program operated by Colombia's Ministry of the Interior has provided protection to 3,043 human rights activists, journalists, and union leaders, ranging from "soft" such as relocation assistance to "hard" with, for example, armored vehicles.
- Working with non-governmental organizations and international agencies, U.S. assistance has been provided to over 500,000 Colombians displaced by violence since mid-2001.
- Initial steps have been taken in a program to rehabilitate former child soldiers. A USAID-funded center has been established to receive those children captured by the army or who have deserted from the illegal armed groups. Some 300 children have entered the reception center where they have received treatment, education and shelter.
- An Early Warning System (EWS), to help Colombia avert massacres and other human rights abuses, is being expanded and has had some successes; during the period June 2001 through September 2002, a total of 150 warnings were issued through the EWS that identified threats to communities across Colombia, especially in rural areas, and which resulted in 115 responses by the military, police and/or relief agencies.
- Our justice sector reform programs have provided assistance to the Government of Colombia to: reform its judicial system and strengthen local government capacity; implement a comprehensive program to investigate and prosecute kidnapping and extortion offenses; develop and implement legal reforms, improve the Prosecutor General's ability to

investigate and prosecute criminal cases through the development of a well-trained cadre of professional prosecutors; enhance maritime enforcement capabilities with respect to international narcotics smuggling; and improve witness and judicial protection programs.

- There has been unprecedented cooperation in extraditing Colombians to the United States on serious criminal charges;
- 29 Colombian nationals have been extradited to the United States so far this year; Since November 1999 there have been 64 Colombian nationals extradited here for trial.
- We are also helping the Prosecutor General's Office to establish dedicated human rights units throughout the country to facilitate the investigation and prosecution of human rights abuses. Eight of these units are now operating. The Prosecutor's Office is eager to expand the program to additional regions in 2003.
- The creation of over 140,000 new jobs between 1992-1999 is attributable to the Andean Trade Preference Act (ATPA) and Colombia expects to continue to be a beneficiary with its recent promulgation by the President for inclusion in the Andean Trade Program and Drug Eradication Act (ATPDEA).

Human rights concerns continue to be a central element in U.S. policy. Our human rights message is making a difference. Then-President Pastrana and now President Uribe have worked to end collusion between the Colombian military and the paramilitary AUC.

- The Colombian military captured 590 paramilitaries and killed 92 in combat during 2001. For the period January through September 2002, these figures have increased with 828 paramilitaries captured and 154 killed.
- Eight military personnel, including two colonels and a lieutenant colonel, were charged in civilian courts with collaborating with paramilitaries or with committing gross human rights violations in 2001.
- The Uribe Administration has successfully sought the extradition from Spain of a former Colombian cabinet minister charged with aiding and abetting paramilitary groups in Colombia.

Then-President Pastrana made a determined effort to negotiate peace with the FARC, a designated terrorist organization, which repeatedly demonstrated it could not or would not negotiate in good faith. President Uribe has made clear his intention to pursue a peace process on the GOC's terms, which include commitments by the AUC, ELN, or FARC.

The United States fully supports President Uribe's stated conditions for such a peace process. To the extent that our assistance helps Colombia reinvigorate its economy, enhances its governing ability, encourages respect for human rights and weakens narcotics trafficking and designated terrorist organizations, it will also promote the broader search for a negotiated settlement to the conflict.

Expected Financial Costs

The newly-elected Colombian Government has a strong popular mandate to deal decisively with the country's national crisis. Nevertheless, the complexity of Colombia's problems will require substantial financial support from the United States and the international community.

The United States supports the Colombian Government's plans to implement its policy of providing "democratic security" by devoting increased government resources to the security forces, developing a strategy aimed at establishing the rule of law throughout its national territory, protecting human rights, assisting its internally displaced persons, and waging an aggressive and comprehensive campaign against illicit drugs.

To do so, since 2000, the United States has responded to that need and provided Colombia with over \$1.7 billion in economic, humanitarian and security assistance to support "Plan Colombia." The progress described earlier in this report has been encouraging, but it needs to be sustained.

The FY 2003 Foreign Operations Appropriations request for the Department of State seeks \$439 million in International Narcotics Control and Law Enforcement (INCLE) funds to sustain and reinforce our programs and \$98 million in Foreign Military Financing (FMF) funds to train and equip Colombian military and police units to protect the important Cano Limon pipeline, a major source of Colombian government export revenues. The \$439 million INCLE request includes \$275 million for the Colombian military and police and \$164 million for democracy programs, alternative development, assistance to vulnerable groups, human rights protection and promotion of the rule of law.

Of already appropriated funds for FY 2003, the Department of Defense estimates that it may spend \$102 million to support programs in Colombia.

The Department of State and the Department of Defense are preparing their budget submissions for FY 2004, and expect to request substantial financial resources to support the Uribe Administration's courageous anti-narcotics and anti-terror agenda.

The Government of Colombia developed Plan Colombia and, under the Pastrana Administration, committed to spending \$4.5 billion over five years on programs for counterdrug efforts, institution building, and social and economic development. The Government of Colombia's contribution to "Plan Colombia" is being used for counter-drug efforts and social and economic development projects. The GOC is estimated to have spent \$426.5 million to date on social and institutional development and has spent or has plans to spend an estimated \$2.6 billion for infrastructure projects related to "Plan Colombia."

With an estimated Colombian contribution of approximately \$3 billion spent or in the pipeline through 2002, the GOC appears to be largely on track to fulfill its previously undertaken financial obligations under the plan.

In addition, President Uribe has committed to increase resources for security forces as well as to wage a comprehensive counter-terrorism and counter-narcotics campaign, which will include funding for programs to defend human rights, promote economic, social and alternative development initiatives, reform the administration of justice, and assist the internally displaced. He has already taken serious steps to meet these commitments.

- Minister of Defense Ramirez announced in mid-October that she has set a goal for defense spending to reach 5.8% of GDP in 2003, up from 3.5% in 2002. While the GOC awaits the full collection of the one-time tax, resources are being diverted from other areas to fund increased security needs.
- The wealth tax will be paid in four tranches. Since August, the GOC has raised approximately \$240 million through this tax, all of which will augment the security budget. The GOC reports that it is receiving voluntary contributions from individuals not subject to the tax (those with net assets below \$60,000).
- The GOC also dedicated an additional \$213 million by reducing other programs to finance defense spending:
 - \$183 million will go to MOD to build and improve security infrastructure and purchase new equipment;
 - \$22 million to acquire new equipment and make security improvements for the CNP;
 - \$6 million for Interior/Justice Ministry to support activities related to the security strategy;
 - \$1.8 million for the Finance Ministry to support activities related to the security strategy.
- The GOC proposes to cut expenditures by 1.3% of GDP (approximately \$1.15 billion) through a restructuring and downsizing of the State. The savings, combined with a tax reform package, should give the GOC the additional funding (an estimated \$600 million) required to maintain an enhanced security posture after 2005, when the money from the one-time wealth tax will have been spent.
 - The tax reforms include raising value added taxes (VAT) on many items (20% for luxury goods and cellular phones) as well as increasing the universe of goods covered by the VAT.
 - The tax reform penalizes, for the first time, tax evasion, setting prison terms of 4-8 years.
 - A limit on exemptions will be imposed.
 - The GOC has frozen salaries, cut travel budgets and limited phone use to fund enhanced security measures.
- The GOC is working with the IDB, World Bank, IMF, and Andean Development Corporation (CAF) to obtain additional resources (approximately \$1.5 billion a year through 2006) aimed at strengthening the government's presence throughout the country, an integral part of the President's proposed strategy to restore government authority throughout the country.

The Uribe Administration's National Security Strategy (NSS), expected to be released shortly, calls for guaranteeing the security of all Colombians committed to the rule of law. The NSS incorporates the essential elements of Plan Colombia: it seeks to force the cultivators of illicit crops out of business while at the same time developing alternative economic opportunities and employment. The GOC will create incentives for the hiring by the private sector of those who leave the cultivation of illicit crops and abandon the ranks of the illegal armed forces.

The GOC intends to use the additional taxes collected as well as new IFI resources to fund both Plan Colombia efforts and related follow-on programs to bring basic services to communities throughout Colombia. It has taken specific steps to strengthen

Plan Colombia's implementation.

- The Uribe Administration has created a cabinet-level Plan Colombia Coordinator who has clarified the roles of other implementing entities and the Ministries of Agriculture and Environment now have important alternative development responsibilities.
- It has also reorganized the relief and social rehabilitation organization, the "Red de Solidaridad" (Solidarity Network), to concentrate on the emergency phase of the Internally Displaced Program (IDP), e.g., the first 90 days, and has developed a return/re-establishment initiative for an initial thirty thousand IDP families. These families would be encouraged to return to the areas from which they fled. The GOC will provide security, housing and productive projects in these declared "safe areas." The first "safe area" has been declared in northern Antioquia.
- The GOC has tried to make asset forfeiture an easier, more streamlined process. It has passed a law allowing only four months for individuals to contest the confiscation of narcotics financed property. As a result, properties in question for years, including lands owned by Pablo Escobar and his family, are now being seized.
- Currently, there are 350,000 hectares of narcotics-tainted land being contested in the courts. Although it is not yet known what percentage of this land could ultimately be turned over to displaced persons and ex-coca and poppy growers, this would help solve the land problem and punish drug traffickers.

The primary responsibility for human rights programs is in the Vice President's office, which will oversee additional resources aimed at protecting those currently in increased danger, such as city mayors and labor leaders.

Vice President Santos is also leading a campaign to increase transparency in the government and plans to expand this "culture against corruption" to the private sector. One of his initiatives is a fiscal responsibility law currently before the Congress that stiffens penalties for malfeasance and also makes it easier to dismiss corrupt employees.

The United States is not alone in providing needed assistance to Colombia.

- There is international consensus that Colombia's democracy deserves help. Individual European nations, the European Union, Canada, Japan and the United Nations have pledged up to \$600 million to Colombian development programs. Unfortunately, disbursements of these resources has been slower than hoped, due to bureaucratic, programmatic, and security issues. The United States will work with these like-minded nations and international entities to ensure that their commitments are fulfilled.
- International Financial Institutions (IFI's) including the IMF, World Bank, Andean Development Corporation (CAF), and Inter-American Development Bank (IDB) are all active in Colombia and the Uribe government is seeking to extend or expand current programs. The World Bank, CAF, and IDB already provide hundreds of millions of dollars in loans to support social, humanitarian and infrastructure development, as well as economic revitalization. The IMF has signed a letter of intent renewing Colombia's Extended Fund Facility.

Time Schedule

As Colombia's deep-seated internal conflict dates back almost 40 years, it would be misleading to attempt to provide an expected time schedule for full achievement of United States objectives in the country.

In other regions of the world such as Angola, Central America, South Africa and Eastern Europe, the United States has shown that with sustained engagement, accompanied by political will and courage, we have been able to respond successfully to entrenched conflicts.

Full realization of U.S. policy goals will require a concerted Colombian strategy and effort -- backed by sustained U.S. assistance over a period of years -- to establish control over its national territory, eliminate narcotics cultivation and distribution, end terrorism, and promote human rights and the rule of law.

Specific benchmarks for measuring progress toward achieving the objectives of the President's policy

As described earlier, U.S. policy is to help Colombia become a prosperous democracy that respects human rights and the rule of law, and is free from narcotics trafficking and terrorism. In broad terms, the success of our programs will be measured by improvements in all areas of Colombian life and reduction in illegal drug cultivation and terrorism.

Benchmarks for measuring progress on the achievement of these policy goals would include:

- Development and implementation by the Government of Colombia (GOC) of a comprehensive National Security Strategy, outlining its plans to progressively establish democratic state authority throughout the country.
- Preparation by the United States, upon publication of the Colombian Government's National Security Strategy of an interagency political/military plan for U.S. support to the GOC National Security Strategy that will contain additional details and more specific benchmarks.
- Substantially reduced coca and opium poppy cultivation and production, and corresponding reductions in the financial benefits such cultivation provides the terrorist groups.
- Sustainment of current enhanced levels of aerial eradication of coca and opium poppy.
- Expansion of alternative development programs in areas northwest of Putumayo Department to enhance economic development and increase licit employment and income opportunities.
- Significant increases in the financial and manpower resources the GOC devotes to its security forces. Possible goals would include a schedule for substantially increasing the size of the Colombia National Police and the Armed Forces, and raising security spending from its current 3.5% of GDP to at least 5% of GDP.
- Continued modernization and expansion of Colombian Armed Forces and National Police, improving training, recruitment, doctrine, equipment, and inter-service cooperation (e.g increasing the number of professional soldiers; removal of legislative restrictions on nature of service of some draftees; longer enlistment periods). Creation of more mobile and effective Colombian Army units.
- Continued progress by the Colombian Armed Forces to protect human rights, end military-paramilitary collusion, and reduce overall number of violent civilian deaths. Key measures include: increased military/police actions against the AUC and; suspension of those military personnel credibly alleged to have committed gross human rights violations or to have collaborated with the paramilitaries.
- Strengthened civilian criminal justice system jurisdiction over military personnel accused of human rights violations; improvements in average time from initial investigation through final prosecution, especially those with allegations of egregious human rights violations, military-paramilitary collusion or high-level drug trafficking.
- Significant reduction of illegal arms shipments to and from Colombia.
- Improved efficiency, agility, and reach for Colombia's criminal justice system. Important steps would include: reforming criminal code and procedure; expanding capabilities and numbers of prosecutors; developing prosecutor/police task forces to address complex crimes; protecting judicial personnel and witnesses; increasing number of municipalities served by the justice system; providing alternative dispute resolution mechanisms for matters that need not be heard in criminal justice system; ensuring greater security in prisons; reducing the number of prison escapes; enactment and implementation of accusatorial code and procedural reforms.
- Development of general principles that would apply to possible peace processes with the ELN, FARC and AUC, and an aggressive, effective demobilization program targeting rank and file members of all three groups.
- Concerted GOC-led diplomatic effort to persuade European and other countries to provide greater financial support for ongoing programs.

The expected reduction, if any, in the amount of cocaine and heroin entering the United States as a result of the Andean Counterdrug Initiative within the expected time schedule

U.S. counter-drug objectives in Colombia, through a range of programs, seek to significantly reduce illegal drug production and

to make it economically unprofitable and are supported by both eradication and interdiction efforts. Effectively eradicating coca leaf and opium poppy as well as interdicting their movement and that of precursor supplies, cash or final product can be expected to reduce the amount of cocaine and heroin entering the United States. Maintaining effective demand reduction programs will also be key.

In pursuit of these objectives, the Colombian National Police have sprayed about 120,000 hectares of coca so far this year, and may reach up to 150,000 by the end of 2002. In the first part of 2002 the herbicide used was diluted so that it was less than fully effective, and the coca treated may not have been wholly eradicated. Beginning in August 2002, the rate of spraying increased and herbicide concentration was restored to earlier strength. If coca eradication continues at the August 2002 rate for the next 12 to 24 months, with annualized spraying of up to 200,000 hectares, it can be expected to have a substantial impact on the economic viability of coca production.

The Colombian National Police have also sprayed nearly 2,300 hectares of opium poppy so far in 2002, with expectations of spraying up to 5,000 hectares by the end of the year, and 10,000 hectares in 2003.

The aerial spray program now also has the strongest possible support at the most senior levels of the GOC. We believe that the progress that will now result from the combination of greatly increased aerial spray capability on our part, the planned addition of new, high capacity aircraft and the new political determination of the GOC, will help us to achieve our objectives of substantial reductions.

Additional pressure can be brought against the illegal drug industry by more effectively controlling transportation corridors across the Andes that are used to import chemicals, supplies and cash into the growing areas, or to move illegal drug products out. If the drug producing areas are isolated from markets and necessary supplies, the costs and risks of moving narcotics products will increase. Isolation of the growing areas would contribute to significantly disrupting the market.

Interdiction of cocaine and heroin at sea and ashore is another important element for drug market disruption. With U.S. assistance, technology, intelligence support, and law enforcement training, the Government of Colombia should be able to maintain increasing pressure on drug warehousing sites and go-fast boat movements, also resulting in increased seizures of cocaine and heroin.

If present programs are sustained, then Plan Colombia's original goals of reducing coca cultivation in Colombia by 50% by the end of 2005 should be achieved. In fact, we believe it will be possible to spray even more coca and poppy in 2003, and have established spray targets of 200,000 hectares of coca and 10,000 hectares of opium poppy. President Uribe has called for total eradication by the end of his term of office in 2006.

If these eradication and interdiction objectives are achieved we would expect to see a major reduction in the amount of cocaine available for the United States, with corresponding impacts on cocaine price and purity in the U.S. market. Reductions in Colombian heroin availability might not produce comparable effects because of the availability of ample heroin supplies from other parts of the world.

The mission and objectives of U.S. Armed Forces personnel and civilian contractors employed by the United States in connection with such assistance, and the threats to their safety in Colombia

U.S. military personnel and U.S. individual civilian contractors in Colombia are undertaking activities to implement specific aspects of the programs described earlier in support of "Plan Colombia." The dangers they face are well understood by the U.S. Government and the individuals themselves and extensive security measures are taken to provide for safety.

As described in the bi-monthly reports provided to the Congress in accordance with the provisions of section 3204(f) of Title III, Chapter 2, of the Emergency Supplemental Act, 2000, the U.S. Government is carrying out a wide variety of programs in Colombia in support of U.S. policy objectives.

U.S. military personnel provide training as well as equipment, infrastructure development, and planning, logistical and intelligence support, while U.S. civilian contractors are employed by the Departments of Defense, State, Treasury, Justice, and Commerce, are engaged in programs that include alternative development, narcotics interdiction and eradication, law enforcement, institutional strengthening, judicial reform, human rights, humanitarian assistance for displaced persons, local governance, anti-corruption, conflict management and peace promotion, the rehabilitation of child soldiers, and preservation of the environment.

Present ceilings of 400 permanent and temporary U.S. military personnel and 400 U.S. citizen civilian contractors in Colombia in

support of Plan Colombia remain in effect for these purposes. Administration representatives have also testified to the Congress on several recent occasions that there are no plans for engagement of U.S. military personnel or U.S. civilian contractors in a combat role in Colombia.

U.S. military personnel and U.S. civilian contractors do not participate in combat missions in Colombia. Current Department of Defense policy guidance prohibits U.S. military personnel in Colombia from accompanying Colombian military forces during such operations.

Programs with the Colombian armed forces and police are undertaken at bases where Colombian units provide security. There have, however, been situations in which U.S. citizen civilian contractors were subject to hostile fire, although it bears repeating that they do not have any combat role. As a matter of firm policy, the Administration does not intend to use U.S. citizen civilian contractors in any combat role.

However, in conducting counternarcotics aerial spraying, the spray aircraft, piloted by U.S. citizen or third country national contractors, are accompanied by escort helicopters that carry combined U.S. citizen civilian contractor or third country national contractors and Colombian National Police (CNP) crews. On a typical mission, U.S. citizen civilian contractors accompany the spray operations in these helicopters as pilots or medics, but not as gunners. The contractors provide support for CNP antinarcotics and law enforcement operations. U.S. citizen civilian contractors and third country national contractors have occasionally been subject to hostile fire in the course of providing their services, for example, in undertaking search and rescue (SAR) and medical evacuation missions.

U.S. citizen civilian contractors also provide training and logistical support for the 32 USG-provided UH-1N helicopters that provide air mobility for the three counterdrug battalions of the Colombian Army. However, these aircraft are piloted by either Colombian military personnel or Colombian and third country national contractors.

Since 1998 three U.S. citizen civilian contractors have died in Colombia, two on July 27, 1998 in an aviation accident when their T-65 aircraft crashed during a training flight, and a third in an August 2002 runway accident. Another U.S. citizen civilian contractor died of natural causes on August 15, 2000, as a result of a heart attack. In 1999 a U.S. military aircraft crashed in Colombia resulting in five U.S. military fatalities.

We have been fortunate to date to have suffered no killed, wounded or captured U.S. military personnel or U.S. civilian contractors, or other USG personnel, as a direct consequence of the violence and conflict in Colombia. However, casualties cannot be precluded, either as a direct attack by narcotics trafficking or terrorist organizations or as the result of violence not specifically aimed at U.S. personnel.

Colombia is a high-risk assignment and the U.S. military personnel, U.S. civilian contractors and the permanent and temporary United States Government personnel assigned to Colombia are well aware of this. Our personnel and official facilities maintain a high state of alert, take every possible precaution, and are very proactive in matters regarding safety. They deserve our recognition and we appreciate the support they receive from the Congress and the American public for their dedication and willingness to serve.

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