

Colombia

The Development Challenge: Colombia faces crises on many fronts: at the center is a dearth of state presence in an estimated 40% of the country's territory or in nearly half of its 1,079 municipalities. This has contributed to the strengthening of the illicit drug trade and guerrilla groups. The inability of the Government of Colombia to stem the growth of both the drug trade and the guerrilla armies, in part, has led to the emergence of sizeable paramilitary forces that are violently consolidating and competing for land and coveted drug trafficking routes. As a result, violence, forced displacement, and human rights abuses in Colombia abound. Concurrently, drug production in the country continues at high levels and direct involvement of these terrorist groups in the narcotics trade has made the internal conflict increasingly complex. Equally distressing, Colombia faces grave income disparities, growing poverty, and inadequate government social services. It is estimated that over half of the population lives below the poverty line and World Bank studies calculate that Colombia will require sustained economic growth of four percent through 2010 to reduce poverty to the levels recorded in 1995. This daunting challenge is exacerbated by declining foreign direct investment due to security concerns and declining international prices affecting traditional exports such as coffee. In the midst of these challenges, Colombia's democratically elected government, and its newly elected president, are fighting to preserve and strengthen its democracy and institutions.

USAID efforts support U.S. national interests and foreign policy goals for democracy, humanitarian response, law enforcement, and regional peace and stability. The United States has a vested interest in curbing the huge flow of illicit drugs from Colombia to the United States. The United States also has a stake in helping to ensure that Colombia's democratic institutions are strengthened, as these are essential for progress on trade, regional security, counter-narcotics efforts, human rights, and other related concerns. Colombia's internal conflict has the potential to destabilize a number of countries in the region if there is spill over of drug production and/or guerrilla activities into neighboring countries with already fragile democracies.

The USAID Program: The Data Sheets provide the details of the three objectives for which USAID is requesting FY 2003 and FY 2004 funds. These three objectives concentrate on stemming the flow of illegal drugs into the United States by encouraging small farmers to join the legal economy through alternative crops and infrastructure projects; promoting more responsive, participatory and accountable democracy; and relieving the plight of over two million Colombian refugees. FY 2003 and FY 2004 funds will be used to implement the ongoing programs of alternative development, democracy and internally displaced persons.

Other Program Elements: Under the bilateral program, USAID will assist the Government of Colombia in the management of a \$45 million environmental fund created under the Enterprise for the Americas Initiative, which forgives foreign debt in exchange for environmental and child protection initiatives. In addition to the bilateral program, USAID is implementing activities in Colombia through centrally and regionally managed programs in democracy (civil society strengthening), environment (Parks in Peril), and health (Amazon Malaria Initiative).

Other Donors: The Inter-American Development Bank, World Bank, Andean Development Corporation and the Latin America Reserve Fund combined have committed \$4.2 billion since 2000 to strengthen the Colombian social safety net. The European Union has pledged roughly \$116 million through 2006 to support the peace process. United Nations agencies provide approximately \$15 million annually in socioeconomic development support. Bilateral donors, led by Spain and Japan, have pledged approximately \$200 million over 2000-2003.

The European Center for International Strategic Thinking (CEPEI) is taking the lead in coordinating donor activities and relations in Colombia. CEPEI will hold dialogues with all major donors in an effort to better leverage resources and maximize the impact of foreign aid.

**Colombia
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Andean Counterdrug Initiative	0	93,400	151,000	150,000
Total Program Funds	0	93,400	151,000	150,000

STRATEGIC OBJECTIVE SUMMARY

514-007 Democracy				
ACI	0	22,000	32,000	25,000
514-008 Alternative Development				
ACI	0	49,400	69,000	82,000
514-009 Internally Displaced Persons				
ACI	0	22,000	50,000	43,000

Data Sheet

USAID Mission:	Colombia
Program Title:	Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	514-007
Status:	Continuing
Proposed FY 2003 Obligation:	\$32,000,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$25,000,000 ACI
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2006

Summary: USAID seeks to fortify Latin America's oldest democracy through a multi-faceted strategy which includes technical assistance and training to: modernize the criminal justice system; enhance and broaden respect for human rights; strengthen local governance; increase government transparency and accountability; and support the peace process.

Inputs, Outputs, Activities:

FY 2003 Program:

Support the modernization of the justice system and increase access to legal services (\$8,900,000 INC). USAID will continue to fund technical assistance to help transition Colombia's judicial system from an inquisitorial to an accusatorial system. At least 12 oral trial courtrooms will be established and training for judges, lawyers, and other judicial workers will continue. To increase access to justice, USAID will continue to work with the Ministry of Justice to expand coverage through the Justice and Peace Houses -- community-based centers for alternative dispute resolution and other legal services. USAID will provide assistance to equip the Houses, train staff, and conduct community outreach and education. The prime contractor is Checchi and Company.

Promote respect for human rights, prevent abuses, and protect against violations (\$5,700,000 INC). To increase the protection and defense of human rights, USAID assistance will focus on the prevention of human rights violations by strengthening GOC and civil society human rights entities; by providing protection for journalists, human rights workers, community leaders and local elected officials, including the provision of metal detectors, bulletproof vests, hand held radios, etc., and national or international relocation; and by improving the GOC's response to human rights violations. USAID will continue providing technical assistance to the Interior Ministry to improve its human rights protection program. Support for the implementation of the Early Warning System (EWS) as a means of preventing forced displacement and massacres will also continue. USAID will also provide technical assistance to the Office of the Vice-President (Presidential Program for Human Rights and International Humanitarian Law) to formulate policy, monitor cases, and improve its ability to coordinate critical activities with other GOC agencies and civil society. USAID will continue to work with non-governmental organizations dedicated to the protection of human rights in Colombia. The prime contractor is Management Sciences for Development, with the Organization of American States and Junior Achievement as sub-grantees.

Strengthen democratic governance and practices at the local level (\$8,000,000 INC). USAID will enhance the capacity of local governments to deliver services, manage resources, increase citizen participation in planning and project oversight, and provide infrastructure in response to citizen priorities. Goals will be achieved through direct technical assistance, training, and the implementation of social infrastructure projects in target municipalities. Oversight committees comprised of local citizens will be organized in each municipality where an infrastructure project is completed. The prime grantee is Associates in Rural Development and Partners of the Americas is the sub-grantee.

Increase transparency and accountability at all levels of government (\$4,100,000 INC). USAID will finance technical assistance and training to increase and improve financial management controls and audits across relevant GOC entities at the national and local levels. In FY 2003, a cumulative total of 14 GOC entities will have standardized internal control procedures. Concurrently, support will be provided to citizen groups in 20 municipalities to strengthen their oversight of public resources. The prime contractor is Casals and Associates.

Promote peace (\$5,300,000 INC). USAID will continue to promote peace in Colombia by supporting initiatives designed to cultivate a culture of non-violence. Efforts will include providing support to organizations which work with Afro-Colombians and indigenous groups. USAID will support the establishment of roughly seven community co-existence centers in poor and marginalized regions. These centers provide outside administrative and legal assistance on site, educational opportunities, and much-needed physical infrastructure and space for grassroots organizing. The prime implementer is the International Organization for Migration.

FY 2004 Program:

Support the modernization of the justice system and increase access to justice (\$6,900,000 INC). Justice activities to modernize and increase access to justice will be expanded. Additional oral trial courtrooms and Justice and Peace Houses will be established.

Promote respect for human rights, prevent abuses, and protect against future violations (\$4,700,000 INC). Human rights activities and protection against violations will continue. The EWS coordination offices will be expanded to two additional regions.

Strengthen democratic governance and practices at the local level (\$9,000,000 INC). Local governance strengthening activities will expand considerably. Approximately 100 social infrastructure projects will be created in an additional 60 municipalities. Citizen oversight committees will be established in each municipality in which a new project is established.

Increase transparency and accountability at all levels of government (\$1,600,000 INC). Anti-corruption activities will grow. A total of 20 GOC entities will have established internal controls.

Promote peace (\$2,800,000 INC). Peace activities will continue and support for local organizations will grow. Additional co-existence centers will be established in target areas and organizations active in promoting peace in Colombia will be supported.

Performance and Results: USAID's democracy program has significantly increased access to justice and has successfully protected and promoted human rights, strengthened local governance and infrastructure, promoted transparent and accountable governance and supported key peace initiatives. Twenty-one Justice and Peace Houses have been established, handling 1.4 million cases. As a first step in facilitating Colombia's transition to a modern accusatorial system of justice, USAID helped to establish 13 oral trial courtrooms and 3,400 judges have been trained in oral trials, legal evidence, and procedures. The protection component under the human rights program expanded to include protection for mayors, local human rights officials, and journalists. Through FY 2002, approximately 3,000 individuals received protection. The EWS was expanded to 12 regions and was key to coordinating effective responses to 116 of the 121 alerts issued in FY 2002. The local governance program promoted efficient and transparent management practices at the local level by helping finance 66 social infrastructure projects in 27 municipalities. Transparency and citizen participation have been reinforced through the establishment of 71 citizen oversight committees. To promote transparency and accountability, USAID completed a nationwide anticorruption campaign that reached six million citizens and standardized internal control units in five GOC agencies. Finally, under the peace program, USAID-funded activities included grants to support the participation of women in the peace process, assistance and training to 34 non-governmental organizations, and the establishment of an information resource center within the office of the High Commissioner for Peace. Nearly 90,000 persons benefited from the peace program.

US Financing in Thousands of Dollars

Colombia

514-007 Democracy	ACI	Plan Colombia
Through September 30, 2001		
Obligations	0	47,000
Expenditures	0	9,878
Unliquidated	0	37,122
Fiscal Year 2002		
Obligations	28,000	0
Expenditures	0	18,836
Through September 30, 2002		
Obligations	28,000	47,000
Expenditures	0	28,714
Unliquidated	28,000	18,286
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	32,000	0
Total Planned Fiscal Year 2003		
Obligations	32,000	0
Proposed Fiscal Year 2004 NOA		
Obligations	25,000	0
Future Obligations	25,000	0
Est. Total Cost	110,000	47,000

Data Sheet

USAID Mission:	Colombia
Program Title:	Alternative Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	514-008
Status:	Continuing
Proposed FY 2003 Obligation:	\$69,000,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$82,000,000 ACI
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2006

Summary: The alternative development program seeks to increase legal economic opportunities for small producers of opium poppy and coca. The strengthening of licit economic opportunities will contribute to permanent abandonment of illicit crop production.

Inputs, Outputs, Activities:

FY 2003 Program:

Strengthen national and local institutions (\$1,500,000 INC). USAID will continue to strengthen the Government of Colombia's (GOC) National Alternative Development Plan in the areas of planning, implementing, monitoring, and evaluating projects. In addition, USAID will help the National Alternative Development Plan document and present quantifiable program results by means of an interactive computerized data management system. Given the current restructuring of the GOC, USAID may also identify additional GOC partners that will require technical assistance. USAID plans to strengthen the local non-governmental organizations (NGOs) with whom they work in technical areas, as well as accounting and other aspects of internal management. The prime contractors and grantees are Chemonics, Pan-American Development Foundation (PADF), Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ADCI/VOCA), the United Nations Office for Drug Control and Crime Prevention, and Aid to Artisans.

Expand rural social infrastructure (\$8,500,000 INC). Infrastructure initiatives are an important component of the alternative development program because they provide short-term employment and income to families making the transition to licit crops. Projects are designed to be as labor intensive as possible, employing the maximum number of local people and educating them on basic construction methods. The projects themselves also provide the necessary market connections to make a viable licit economy possible and sustainable in the medium and long term. USAID will finance projects that include roads, bridges, electricity, schools, health clinics, potable water and sewage systems. The prime contractors are Chemonics, U.S. Army Corps of Engineers and PADF.

Social and economic development (\$47,100,000 INC). USAID will provide technical assistance to promote agricultural and non-agricultural alternatives through the provision of modern production technologies, processing, credit, and marketing assistance to producer associations. Non-agricultural activities may include vocational training and technical workshops to assist small farmer families to transition to alternative productive activities. USAID will focus on a broad range of productive agricultural activities involving chontaduro palm, rubber, cacao, cassava, blackberries, tropical fruits, fisheries, cattle production, and traditional arts and crafts, among others. The program will be expanded into new geographical areas. Prime implementers are Chemonics, PADF, ADCI/VOCA, United Nations Office for Drug Control and Crime Prevention and Aid to Artisans.

Improve management of natural resources and environment (\$7,400,000 INC). In many drug-producing regions, the long-term success of alternative development depends on the conservation of fragile soils by small farmers and proper management of tropical forests. USAID plans to assist farmers that wish to

eradicate drug crops by using backpack sprayers to apply herbicide to avoid aerial herbicide spraying by the Colombian Narcotics Police. USAID will promote sustainable production for alternative crops through agro-forestry and silvo-forestry systems particularly suited to the financial and ecological conditions of small farms in remote tropical lowland regions. USAID will also help protect indigenous territorial rights, which often overlap with or are adjacent to parks and forest preserves, with a focus on aiding indigenous communities in Putumayo and Caquetá. USAID will continue to provide technical assistance for forestry activities in Putumayo and for a new commercial forestry initiative for the rest of Colombia. The prime contractors are Chemonics and Amazon Conservation Team.

Program management (\$4,500,000 INC). Funds will be used to cover the operating expense costs of managing the USAID program.

FY 2004 Program:

Strengthen national and local institutions (\$1,800,000 INC). USAID plans to augment its strengthening of national institutions and local NGOs involved in alternative development.

Expand rural social infrastructure (\$10,500,000 INC). USAID plans to expand its infrastructure development component to additional regions of the country resulting in new jobs and improved access in many remote areas.

Social and economic development (\$54,700,000 INC). USAID plans to expand activities into other agricultural areas shifting the focus of the program from Putumayo to other illegal crop producing regions of the country. Additionally, USAID will focus on private sector activities for increased sustainability.

Improve management of natural resources and environment (\$10,500,000 INC). USAID may expand its aid to indigenous communities. Technical assistance for a forestry project in Putumayo and the GOC's new forestry initiative will contribute to improved forestry management. USAID will continue to work with indigenous communities in Putumayo and Caquetá in protecting the environment and indigenous traditions.

Program management (\$4,500,000 INC). USAID will continue to use INC funds to cover the operating expense costs of managing the USAID program.

Performance and Results: During FY 2002, USAID supported a total of 10,512 hectares of licit crops and completed 76 infrastructure projects in 9 municipalities in coca and poppy growing areas. These efforts benefited 14,885 families. The large-scale spraying of coca areas, especially in Putumayo, has helped convince small farmers to abandon their illegal crops. Additionally, the continued fighting between the armed groups has contributed to farmers' growing distaste for illicit crop production in southern Colombia. Finally, USAID has expanded the number of prime implementers from one to six, with additional implementers to be added next year.

By supporting small farmers who wish to join the licit economy, the Alternative Development program will establish 65,042 hectares of licit crops, complete 610 infrastructure projects and benefit 80,000 families. These efforts will help reduce the flow of illicit drugs to the United States.

US Financing in Thousands of Dollars

Colombia

	ACI	Plan Colombia
514-008 Alternative Development		
Through September 30, 2001		
Obligations	0	42,500
Expenditures	0	4,350
Unliquidated	0	38,150
Fiscal Year 2002		
Obligations	52,000	0
Expenditures	0	31,698
Through September 30, 2002		
Obligations	52,000	42,500
Expenditures	0	36,048
Unliquidated	52,000	6,452
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	69,000	0
Total Planned Fiscal Year 2003		
Obligations	69,000	0
Proposed Fiscal Year 2004 NOA		
Obligations	82,000	0
Future Obligations	83,000	0
Est. Total Cost	286,000	42,500

Data Sheet

USAID Mission:	Colombia
Program Title:	Internally Displaced Persons
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	514-009
Status:	Continuing
Proposed FY 2003 Obligation:	\$50,000,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$43,000,000 ACI
Year of Initial Obligation:	FY 2000
Estimated Completion Date:	FY 2006

Summary: The Internally Displaced Persons program provides non-emergency support for internally displaced persons (IDPs) and other vulnerable populations, such as ex-child combatants. USAID emphasizes the social and economic incorporation of IDPs into mainstream Colombian society through programs at the national and local levels.

Inputs, Outputs, Activities:

FY 2003 Program:

IDPs and other vulnerable persons supported (\$35,000,000 INC). USAID will serve 200,000 IDPs by continuing to implement programs supporting healthcare, shelter, income generation, improved education and basic community infrastructure in communities containing a significant IDP population. USAID will expand the program to include income generation and community infrastructure activities, focusing on return and relocation projects. USAID will also expand the healthcare program, which focuses primarily on reproductive health services, to include more varied services, such as dental and eye-care in addition to general medicine. The prime implementers are Pan American Development Foundation (PADF), World Vision, Profamilia (Colombian non-governmental organization), UNICEF and Organization for Migration.

International, national and local IDP programs strengthened (\$10,000,000 INC). Technical assistance will continue efforts to strengthen coordination between donor institutions and Colombian governmental entities at the national and local levels. The program will continue to strengthen the institutional capacity of local organizations that attend to IDPs and other vulnerable groups. This also involves encouraging IDP participation at the municipal level, both with IDPs themselves and with local authorities. The prime implementers are PADF, World Vision, Profamilia, UNICEF and Organization for Migration.

Former child combatants and other vulnerable children served (\$5,000,000 INC). In FY 2003, the program will serve 375 children and the first phase of the Child Combatant Program will end. The Government of Colombia (GOC)'s Institute of Family Welfare will assume the financing of the Specialized Attention Centers. USAID will fund training for portions of the juvenile justice system on the special treatment needed for child soldiers. USAID will implement a prevention strategy that seeks to diminish the participation of children in the armed conflict. Finally, a contingency plan for a massive demobilization will be finalized. The prime implementer is the Organization for Migration.

FY 2004 Program:

IDPs and other vulnerable persons supported (\$30,000,000 INC). USAID will provide technical assistance to assist an additional 170,000 IDPs.

International, national and local IDP programs strengthened (\$8,000,000 INC). Technical assistance and training will be provided to continue strengthening institutions responsible for providing short, medium, and long-term assistance to IDPs.

Former child combatants and other vulnerable children served (\$5,000,000 INC). USAID will continue to provide technical assistance to serve at least 350 children. The program will remain prepared to serve a vastly expanded number of children in the case of a mass demobilization.

Performance and Results: During FY 2002, USAID IDP programs aided 268,279 people and rehabilitated 391 former child combatants. The program continues to mature as USAID grantees expand coverage. Near the end of FY 2002, USAID awarded a new contract focusing on providing IDPs with additional assistance in income generation. Furthermore, the entire IDP portfolio is refocusing on integrally addressing the needs of IDPs throughout the country and studying the lessons learned from all programs.

By the end of the program, USAID will have helped 930,000 displaced persons and more than 1,500 ex-combatant and other vulnerable children. This represents a serious effort to address Colombia's sizeable displaced population of more than 2 million people and the estimated 6,000 child soldiers serving the illegal armed groups.

US Financing in Thousands of Dollars

Colombia

514-009 Internally Displaced Persons	ACI	ESF	Plan Colombia
Through September 30, 2001			
Obligations	0	0	30,000
Expenditures	0	0	12,690
Unliquidated	0	0	17,310
Fiscal Year 2002			
Obligations	17,400	6,600	0
Expenditures	6	20,116	14,527
Through September 30, 2002			
Obligations	17,400	6,600	30,000
Expenditures	6	20,116	27,217
Unliquidated	17,394	-13,516	2,783
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	50,000	0	0
Total Planned Fiscal Year 2003			
Obligations	50,000	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	43,000	0	0
Future Obligations	43,000	0	0
Est. Total Cost	153,400	6,600	30,000