

REPORT ON EUROPEAN CONTRIBUTIONS TO COUNTER-NARCOTICS EFFORTS, ALTERNATIVE DEVELOPMENT AND JUDICIAL REFORM IN THE ANDEAN REGION

INTRODUCTION

House Manager's Report 108-599 accompanying the Foreign Operations, Export Financing and Related Programs Appropriations Act, 2005, as enacted in the Consolidated Appropriations Act, P.L. 108-447 states that:

“The Committee notes that demand for Colombian coca is rising in Europe and approaching United States consumption levels of approximately 300 tons a year. European nations and the European Union have contributed very little to eradication of coca or alternative development programs in the Andean region, and often their development programs are funded with no view toward eradication policies. The Committee again urges the Secretary of State to negotiate with our European allies in order to persuade them to contribute additional funds to counter-narcotics efforts, alternative development and judicial reform in the Andean region. The Committee directs the Secretary of State to submit a report to the Committee not later than 120 days after enactment of this Act that details by dollar level and fiscal year, multilateral and bilateral projects and programs supported by the European Union and individual countries in Europe. Additionally, the report shall include a summary of the Department's efforts to persuade the EU to contribute additional resources and the results of these discussions.”

The five Andean countries that are the subject of this report – Bolivia, Colombia, Ecuador, Peru and Venezuela – receive assistance in varying amounts from the United States, the European Union, individual European nations, the International Financial Institutions (IFIs), Canada, Japan, and others.

This report describes European Union (EU) and individual European country projects and programs based on information provided from those sources and the Andean countries. It also reflects statistics from the Inter-American Development Bank (IDB) and the Organization for Economic Cooperation and Development (OECD).

Complicating this is the fact that there is no single source of complete information and each country, agency or organization uses differing criteria. The nature of the statistics available often precludes full agreement between different

sources, although there is often a high degree of correlation and overall trends are clearly evident.

Efforts by the Department of State to persuade donors to contribute additional resources are also reviewed.

For this report, Euros and other currencies have been converted to U.S. dollars at the prevailing exchange rate in March 2005, unless noted otherwise. The Euro has fluctuated greatly over the period covered by this report, further complicating comparisons. In 2000, the Euro and the USD were at par; in March 2005 one Euro was worth \$1.33 and this is the exchange rate used. Alternatively, \$1.00 was worth 0.77 Euro. The substantial decrease in the value of the U.S. dollar against the Euro results in sometimes inflated dollar amounts over time. Information is reported by calendar year rather than fiscal year, since the former provides the only common denominator among so many different entities.

KEY FINDINGS

Department of State efforts to encourage European support for Colombia, but also elsewhere in the Andean region, are increasingly successful, and Europe is providing significant assistance.

- In spite of complex accounting procedures, a consistent pattern emerges of sustained European involvement in the Andean countries in programs supporting counter-narcotics efforts, alternative development and judicial reform, as well as humanitarian assistance, human rights, and economic and social development.
- The level of European support is growing and is comparable to or sometimes greater than similar assistance provided by the United States.
- For example, the Colombian Agency for International Cooperation (ACCI), which has perhaps the most complete figures for actual disbursements, reports that, for 2003, Colombia received \$294 million in total official development assistance (ODA) disbursements. Bilateral aid from the United States was \$117.9 million (apparently not including assistance to the Colombian National Police for certain Rule of Law programs); the European countries provided \$100.7 million; the European Commission \$36.3 million; and Canada and Japan \$9.9 million. The remainder of approximately \$29.4 million came from international organizations including the World Bank, the Inter-American

Development Bank, the United Nations Development Program, the United Nations Office of Drug Control, UNICEF, and others.

However, the EU and European countries do not provide the level of direct counter-narcotics assistance that the United States does and do not support aerial eradication. European assistance is primarily designed to support alternative development, justice sector reform, human rights, humanitarian assistance and good governance. The United States and Europe share similar goals for these programs.

In assessing EU support, through its executive arm, the European Commission (EC), and by individual countries, it is essential to make clear that programs are planned, approved, funded and implemented through a wide variety of legislative and administrative processes.

- Unlike the United States, which tracks projects by yearly obligations and disbursements, the EC and many individual European countries prefer to report overall project costs, which may be spread over several years, often making it difficult to establish year-by-year spending.
- There is, quite simply, no single source of complete or comprehensive information on the universe of European assistance to the Andean region.

To illustrate the statistical difficulties encountered, the EC Delegation in Colombia described EC and bilateral programs totaling nearly \$500M (million) underway in 2003 (all programmed funding for all projects).

- Notably, this figure also reflects the approximate amount the EC and European countries agreed to provide Colombia as a result of several donors meetings in 2000 and 2001, and it has since been adjusted upward as additional programs began. EC “cooperation” is defined as official development assistance (ODA). Many individual countries have also reported aid flows through NGOs or other mechanisms, which do not appear in EC statistics, but may be included in individual country reports.

For 2002-2006 the EC reports it is funding country and regional programs worth \$178.2M in Bolivia; \$140M in Colombia; \$122M in Ecuador; \$114M in Peru; and \$51.3M in Venezuela, for a total of \$605.5M.

Figures from the Andean countries describing actual yearly obligations and disbursements correlate well with those provided by the EC and individual nations in many cases, as does information obtained from the IDB and OECD.

For instance, according to the Colombian Agency for International Cooperation (ACCI), the EU and European countries (including non-EU members Norway and Switzerland) disbursed \$137M in Colombia in 2003, of which nearly \$100M was bilateral. ACCI reported that major bilateral programs included Belgium (\$2M), France (\$8M), Germany (\$20.9M), the Netherlands (\$8M), Spain (\$30M), and Sweden (\$11.4M). EC projects include a \$35M Peace Laboratory in the Magdalena Medio region of Colombia.

Based on ACCI figures, European support for Colombia was slightly below that provided by the United States for similar purposes. Preliminary figures for 2004 and 2005 indicate that European support is continuing at about these levels. This reflects an absolute increase from EC and European countries of actual disbursements in Colombia, which for the period 1998-2002 were reported to total about \$109M.

Information prepared by the U.S. Agency for International Development (USAID) Mission in Colombia and the OECD confirms the ACCI numbers. USAID identified programs for \$137.7 million sponsored by the Europeans (including non-EU members Norway and Switzerland). Information from the OECD shows official development assistance (ODA) flows to be \$31.4M from the EC and another \$97.9M from EU members. With the addition of Norway and Switzerland, this number would be very similar to the figures provided by ACCI and USAID.

Similarly, information from Bolivia reports that total EC and member country programs are estimated to \$180M for 2000-2006 for basic sanitation, rural development, education, food security, alternative development and human rights, as well as programs in environment, tropical forests, disaster assistance and investment promotion. Disbursements between 2000-2004 totaled \$99.6M with spending increasing significantly in 2003-2004.

Overall, assistance to Venezuela from Europe has been primarily provided through the EC or the EU Humanitarian Assistance Office (ECHO) and reflects primarily disaster relief. Other assistance is generally focused on human rights, indigenous groups and the environment.

In Peru, EU development assistance rose rapidly from 2000-2003, but has declined slightly since then. The EC and European countries have approximately \$1.6 billion in active loans and grants to Peru, distributed among 317 ongoing projects, as of November 2004. Grants accounted for about 46.7 percent of this total, with loans and debt swaps making up the remainder. The EC, Spain, Germany and Italy account for about 90 percent of assistance.

In 2003, according to OECD figures, Ecuador received ODA flows of \$102.2M from the EC and members states, with the major donors being the EC (\$15.9M), Belgium (\$11.8M), France (\$13.6M), Germany (\$21M), The Netherlands (\$10.8M) and Spain (\$19.6M).

OECD statistics in some cases correlate closely with what the EC and European countries have described as their program disbursements. However, because OECD information on official development assistance (ODA) also includes both grants and concessional official financing repayable in local currencies, as well as debt relief and restructuring, it cannot be taken to reflect project and program implementation disbursements. ODA flows comprise contributions of donor government agencies, at all levels, to developing countries through “bilateral ODA” and to multilateral institutions. OECD figures, moreover, do not include grants made to civil society and NGOs, which in the case of some countries can be substantial and would increase overall numbers.

In spite of these constraints, information from the OECD also reflects growing European assistance to the Andean region. In 2003 the OECD reported development assistance for the EC and member countries (does not include Norway or Switzerland) to be:

	<u>EC and Members States</u>	<u>USG</u>
Bolivia:	\$356.0M	\$280.5M
Ecuador:	\$102.2M	\$81.1M
Colombia:	\$129.3M	\$679.8M
Peru:	\$184.7M	\$221.7M
Venezuela:	\$29.0M	\$12.0M

OECD figures for U.S. assistance in 2003 are also shown.

While OECD figures provide information on more than ODA flows, as noted above, it is one source applying the same criteria across the board to both USG and European assistance. Inclusion, however, of debt restructuring, while a

legitimate assistance factor, sometimes produces anomalies. For example, in 2002, the OECD reported that German assistance to Bolivia was \$361M. However, debt relief accounted for \$326.8M of this, presumably in response to the World Bank initiative for Heavily Indebted Poor Countries (HIPC).

Department of State initiatives to encourage additional donor support range from senior level demarches to continual working level approaches with the EC and Europeans in Washington, European capitals and in the Andean countries, and at international conferences. As a result, cooperation between the United States and Europe for mutually shared goals is increasingly successful.

EUROPEAN COMMISSION (EC)

As requested by House Manager's Report 108-599, the following section describes EC programs in the Andean region.

The European Union, primarily through its executive arm, the European Commission (EC), is an important donor of official development and humanitarian aid to the Andean region. In addition to development cooperation undertaken by the member states individually, the EC, according to its figures, has committed about \$174.6M per year to the Andean region for the past ten years.

- In terms of financial, technical and economic cooperation (excluding humanitarian assistance), the EC reports commitments to assist the countries of the Andean Community with a total of \$560M through country and regional strategies for the period 2002-2006.
- As noted earlier, the EC has problems providing figures of actual disbursements for development aid per year because of the complex set of instruments for EU assistance and the fact that EU projects are funded over several years with actual disbursements frequently being made beyond the period of planned financing.

EC Assistance to Regional Programs

For regional programs, the allocation of funds over the 2002-2006 period amounts to \$38.7M. These projects are intended in particular to strengthen regional stability (e.g. in the field of conflict prevention) and to stimulate further regional integration (e.g. through trade related technical assistance). Following the

revision of the Regional Indicative Program in 2004, the initiatives on which the European Community's development cooperation focuses are: disaster preparedness and prevention, trade related technical assistance, statistics, civil society and synthetic drugs. The regional support package is:

A) Ongoing Projects

Statistics \$6.67M

Disaster prevention \$12.6M

Trade-related technical assistance \$1.33M

B) Planned Projects 2004-2006

Interaction with civil society \$5.3M

Trade-related technical assistance \$14.66M

Fight against drugs \$3.40M

EC Assistance to Andean Countries

For the 2002-2006 period, EC programs for individual Andean countries including the regional programs (\$37.8M) are:

Bolivia	\$178.2M
Colombia	\$140.0M
Ecuador	\$122.0M
Peru	\$114.0M
Venezuela	\$51.3M

Examples of bilateral projects under the country strategies are the "peace laboratories" in Colombia, programs to develop sustainable alternatives to coca production in Bolivia, a vocational training project in Peru, a program of health reform and primary health care provision in Ecuador and a flood prevention and rehabilitation project in Venezuela.

Other Sources of EU Funding

Nevertheless, spending for financial, technical and economic cooperation, as programmed in the context of the country and regional strategy papers described

above, does not provide the full picture of European aid to the Andean region. Assistance also comes under a range of "horizontal" budget lines covering specific themes such as democracy and human rights, drugs, refugees, etc. These are not linked to a specific country or region, making it difficult to obtain precise figures. Projects under horizontal budget lines address either cross-national issues such as the fight against drugs or bilateral matters, such as support to enhancing political dialogue in Venezuela. Examples of projects financed under the horizontal budget lines are an initiative for Andean regional stability, which supports the Andean Community in the field of conflict prevention and an Andean regional project to prevent the diversion of precursors.

The importance attached by the EU to the fight against drugs is, in its cooperation activities, translated through drug-related projects worth more than \$186M, with special emphasis on alternative development projects.

New Programming Cycle

The current EU programming cycle will end in 2006. A new cycle is already being prepared for the period 2007-2013, to be funded under the financial framework for this period currently being negotiated by the EU member state governments. Budget figures for EU assistance to the Andean Community or its member countries for this period are not yet available.

EU Humanitarian Assistance

The EU also has appropriated a substantial amount of money for humanitarian projects via the EU Humanitarian Aid Office (ECHO). For the period of 2002 through 2004, the EU provided over \$35M to Colombia for this purpose.

The EC on March 10, 2005, announced a new contribution of \$16M for 2005. It noted that the European Community Humanitarian Aid Office (ECHO) has been involved in bringing relief to victims of the conflict in Colombia since 1994 and over that period of time has given humanitarian assistance worth over \$133M. The new funds will support ongoing efforts to assist those impacted by the continuing internal violence. ECHO channels funds through twenty

implementing partners, including the Spanish, Dutch and French Red Cross Associations and the UNHCR.

Assistance to Colombia

EU cooperation with Colombia, just as cooperation with the other Andean countries, is governed by the Framework Agreement of Cooperation signed in 1993 between the European Community and the Andean Community.

According to the EC, the total portfolio of EU-sponsored projects in Colombia at the end of 2004 amounted to \$563M. As already noted, this figure includes projects at various stages of the planning, approval, appropriation, obligation and implementation process. EC guidelines for aid to Colombia list five strategic issues:

- a) Support for the modernization of Colombia's productive sector: including promotion of the Andean GSP; direct support for reinforcing the competitiveness of companies (training, transfer of technology, loans, etc.); modernization of infrastructures (transportation);
- b) Reinforcement of the State of Law: including support for greater effectiveness of the judicial system; support to the decentralization and the effectiveness of the State apparatus, the role of civil society and those locally elected in the peace process;
- c) Support for alternative development: while noting that the GOC mobilizes important resources in the fight against the production of narcotics, the EC believes better results could be achieved, based on a methodological approach and EU know-how in relation to key elements such as participation of the civil population, alternative crops and the credibility of the means of control in the areas planted;
- d) Contribution to the peace process (see below);
- e) Protection of the environment.

Support for the Colombian Peace Process

The EU has been willing to support what it refers to as the Colombian peace process, rather than “Plan Colombia,” from the outside (as it did in the cases of El Salvador and Guatemala) particularly on issues such as the problems of people displaced by the violence, the implementation of the future peace agreements (principally by means of financial support) and support for reconstruction. In total, the EU and the member states earmarked \$451M to support Colombia in the period 2000-2006. Of this total, the EC committed \$140M to be allocated as follows:

- Projects of social and economic development/fight against poverty: \$53.3M;
- Support for alternative development: \$40M;
- Reform of the judicial sector: \$33.3M;
- Actions to promote and protect human rights: \$13.3M.

The EU provides aid under the "Program of Support to the Peace Process in Colombia" by helping the GOC to establish "peace laboratories" in critical zones of the country. As part of the \$139.5M program announced in 2001, the EU earmarked \$46.4M for the implementation of a "Peace Laboratory in the Magdalena Medio." This project seeks to contribute significantly to citizen coexistence, the search for effective and viable ways in the overcoming of the conflict that can be applied in other regions of Colombia, through the defense of basic human rights of every inhabitant and encouragement of sustainable development.

After three conferences organized by the IDB in 2000 and 2001 (Madrid, Bogotá, Brussels) to seek support for Colombia, the total of EU, European bilateral, Canadian and Japanese pledges, as well as support from the UN, was calculated to be about \$550-\$600M. Aid to Colombia comes from a variety of sources, with different exchange rates over distinct time frames, making it difficult to provide final numbers.

However, as shown by EC, ACCI, OECD and USAID figures for actual expenditures, there does appear to be a real increase, especially when compared to what had been provided by the international community pre-2000.

The 2002-2006 EC Country Strategy Paper for Colombia reflects the undertakings it agreed to at the three IDB-sponsored meetings. The EC notes that

overall it is implementing the commitments made at those conferences and even exceeding them.

According to the ACCI, the EU and its member states invested about \$137M in Colombia in 2003, of which \$100M was bilateral. ACCI reported that major bilateral programs included Belgium (\$2M), France (\$8M), Germany (\$20.9M), the Netherlands (\$8M), Spain (\$30M), and Sweden (\$11.4M). EU Commission projects include a \$35M Peace Laboratory in the Magdalena Medio region of Colombia, and a \$33M Peace Laboratory in the state of Norte de Santander.

Smaller projects are in areas such as rural development, strengthening of penal institutions, assistance to uprooted communities, and promotion of organic fruit production with small farmer collectives.

Based on ACCI figures, which correlate with those of the OECD and USAID, it appears that European (plus Canadian and Japanese) support for Colombia was similar to that provided by the United States for these purposes in 2003. Preliminary figures for 2004 and 2005 indicate that this is continuing at about the same levels.

Information prepared by the U.S. Agency for International Development (USAID) Mission in Colombia and the OECD confirm ACCI numbers. After extensive meetings with the EC Office in Bogota, individual European aid officials, the ACCI and the UNDP, USAID identified programs for \$137.7M by the Europeans (including Norway and Switzerland, but not Canada or Japan), although in somewhat different proportions than those provided by ACCI.

Information from the OECD shows Official Development Assistant (ODA) flows to be \$31.4M from the EC and another \$97.9M from EU members. With the addition of Norway and Switzerland, as reported by ACCI, this number would become very similar to those provided by ACCI and USAID. OECD figures, however, do not include grants made to civil society and NGOs, which in the case of some countries can be substantial and would change the overall numbers.

A meeting to continue international support for Colombia was held in London on July 10, 2003. All government and international financial institution representatives present reaffirmed their strong political support for the Colombian government in its efforts to address threats to democracy, terrorism, illegal drugs, and human rights and humanitarian law violations. Representatives agreed to consider how to make their cooperation programs more effective and at a follow-

on meeting held in February 2005 at Cartagena, Colombia, again expressed international community support. Colombia presented projects needing increased assistance for the EC and other countries to consider as they formulated their future support plans.

Assistance to Bolivia

Similarly, information from Bolivia reports that total EC and member country programs are estimated to \$180M for 2000-2006 for basic sanitation, rural development, education, food security, alternative development and, human rights, as well as programs in environment, tropical forests, disaster assistance and investment promotion. Disbursements between 2000-2004 totaled \$99.6M with spending increasing significantly in 2003-2004.

European Commission (EC) operations in Bolivia follow its Country Strategy Paper and a Memorandum of Understanding signed between the Government of Bolivia (GOB) and the EC in October 2001. Priority areas are identified jointly by the EU and the GOB. The EC is moving away from projects and into sector-wide support.

Technical and financial cooperation is provided by external consultants based on plans jointly formulated with the GOB. Counterparts for programs and projects include the central, regional and municipal governments, the private sector and civil society. Other implementation mechanisms used by the EU include co-financing with NGOs and other donors. Disbursements for the period 2000-2004 totaled US\$99.6M as follows:

2000-US\$8.09M
2001-US\$3.84M
2002-US\$10.16M
2003-US\$49.25M
2004-US\$28.26M

Project Based Assistance

- Support to Alternative Development - (1998-2006). Total funding is about US\$31M. Local counterpart contributions: Est. US\$7.6M 2004; total disbursements to date: Est. US\$5.2M.

Specific projects include the following:

- Valleys Development "PRODEVAT" (No.BOL/B7-310-96/216). This project began in 1998 and was completed in January 2005. The project was aimed at improving living conditions in the two poorest and most food insecure areas of Cochabamba (Arque and Tapacari) and reducing migration to coca producing regions.

- Support to the GOB's Alternative Development Strategy "PRAEDAC", (BOL/B7-310/96/41). The project began in 1998 and is scheduled to terminate in 2006. The project includes land registration, registration and information/mapping systems; credit funds to accelerate development in the Chapare, basic infrastructure and municipal strengthening, natural resource conservation and productive development. USAID's recently initiated land titling program complements the EU's registration program in the Chapare region. The Mission and EU have organized an inter-institutional committee for coordination and information sharing purposes.

Humanitarian Assistance - Average annual funding US\$8.4M. Total funding to date: US\$ 60.3M covering more than 200 projects nationally. The EU's Humanitarian Assistance Office (ECHO) implements program through a Cooperative Agreement using NGOs, UN agencies and other donors. The program has a complementary disaster assistance program which incorporates a rapid response capacity for emergency situations, such as shelter construction, materials and medical supplies. The disaster assistance program carries out information and communication campaigns and community self-help projects. This effort includes regional (multi-country programs) such as the systematization and dissemination of disaster preparedness and risk management in the Andean Region. Current activities focus on drought mitigation in the southeastern part of Bolivia with intensive community participation, disaster prevention in Potosi, and flood risk prevention mechanisms in the eastern province of Pando.

Human Rights

Human Rights program - Current portfolio valued at US\$7.8M for the period 2002-2004. The program began in 1994 and currently includes three country-specific and four regional programs implemented by member countries. Under this program, efforts are conducted in joint cooperation with governments and citizens in recipient countries. The purpose is to strengthen democratic processes and human rights. The EU recognizes other agencies' efforts in this sector and is open to cooperate in this work. The program is managed through three types of instruments: a) competitive requests for proposals published in the official press and the EC web page under Europe Aid; b) small projects (less than \$66,500) selected by the EC through requests for proposals at the local level; and c) projects financed by the EC based on its priorities.

The European Human Rights Initiative revised its program in 2003 to incorporate democracy strengthening, good governance, and the rule of law, as well as the following sub-themes: a) civil society strengthening; b) support to freedom of speech and to the media; c) actions related to electoral processes; d) support to the legal system and institutional strengthening; and e) good governance and conflict prevention and resolution. From 2002 to 2004, the following regional and national projects have received support for an estimated total contribution of US\$35.3M, of which US\$7.8M comes from the EU: Human Rights promotion in indigenous communities of the Chaco region; Women's Coordinating Unit in the Cochabamba Department; and Regional programs including promotion of children's rights and sexual violence in South America, access to justice activities in Andean countries, and support to the Universidad Andina Simon Bolivar for the creation of a network of universities and Human Rights NGOs.

Other Programs

Additional support to alternative development by the EU is being negotiated with the GOB for the traditional coca producing area in the Yungas. The support would total approximately \$12-13M. Other activities focus on tropical forests and environmental protection and emphasize decentralization and food security. More recently, the EU began supporting Bolivia's efforts to increase foreign investments. These efforts represent approximately US\$7.3 million in EU contributions for the

next four years to enhance trade and investment activities between Bolivia and EU member countries.

Assistance to Ecuador

In 2003, according to OECD figures, Ecuador received ODA flows of \$102.2M from the EC and members states, with the major donors being the EC (\$15.9M), Belgium (\$11.8M), France (\$13.6M), Germany (\$21M), The Netherlands (\$10.8M) and Spain (\$19.6M)

Assistance to Peru

In Peru, EU development assistance rose rapidly from 2000-2003, but has declined slightly since then. In addition to approximately \$1.6 billion in loans and grants to Peru, distributed among 317 active projects, active as of November 2004. Grants accounted for about 46.7 percent of this total, with loans and debt swaps making up the remainder. The EC, Spain, Germany and Italy account for about 90 percent of assistance.

Annual EU assistance flows were \$73.2M in 2000, rising to \$360.1M in 2003. Assistance slowed to \$318.1M in 2004. Nearly half of aid was in the form of grants. Assistance was distributed as follows: 37.9 percent for multi-sectoral projects; 30.2 percent for social infrastructure and services; 20.9 percent for economic infrastructure (primarily financial services); and the remainder for other projects. Over 61 percent of assistance was directed toward regional projects. Project objectives are keyed to the Millennium Development Goals. The European Commission, Belgium and Italy fund projects with specific counter-narcotics and alternative development goals.

Overview of EU Assistance to Peru

European Union and EU member country assistance to Peru rose rapidly from 2000 to 2003, but has declined slightly since then. The total stock of outstanding EU loans and grants to Peru was \$1.663 billion dollars (1.265 billion

euros) as of November 2004. This amount represents the total lending and grants outstanding for 317 active projects in Peru. Grants account for 46.7 percent of the total, with loans and debt swaps making up the remainder. Spain, Germany, the European Commission and Italy accounted for about 90 percent of assistance. The breakdown by donor, number of projects and budget is as follows:

Donor	No. Projects	Loans and Grants	Percent of Total
Spain	32	\$530.2M	31.9
Germany	83	\$433.3M	26.1
Eur. Commission	61	\$302.4M	18.2
Italy	32	\$239.0M	14.4
Belgium	31	\$48.6M	2.9
Netherlands	25	\$43.8M	2.6
UK	11	\$30.9M	1.9
Others	42	\$34.8M	2.0
Total	317	\$1663.0M	100.0

Average budgets for all EU projects were \$5.24M, with significant variation by country. Spain supported the largest projects, with average budgets of \$16.6M. Italy followed, with average budgets per project of \$7.47M.

The flow of EU assistance to Peru was only \$73.2M in 2000, but rose rapidly thereafter. In dollar terms, assistance peaked at \$360.1M in 2003 and has subsequently declined somewhat. Annual EU Assistance Flows to Peru:

2000	\$73.2M
2001	\$86.1M
2002	\$232.1M
2003	\$360.1M
2004	\$318.1M
2005	\$249.1M (projected)

EU Assistance by Sector and Objective

The EC classifies EU and member state assistance projects by both the sector into which they fall and the specific Millennium Development Goal(s) (MDGs) they are designed to address. Projects are grouped into social

infrastructure and services, economic infrastructure and services, productive sectors and multisectoral. The largest share of EU assistance is multisectoral, followed by social infrastructure and services development. Budgetary breakdowns by sector for active projects are:

Sector	Budget	Percent of Total
Social Infrastructure/ Services (education, health, reproductive policies, civil society, other)	\$502.9M	30.2
Economic Infrastructure/ Services (transport, communications, financial services, other)	\$348.0M	20.9
Productive Sectors (agriculture, animal husbandry, fishing, industry, trade, tourism)	\$163.3M	9.8
Multisectoral (envir. protection, women and development, other)	\$629.9M	37.9
Total	\$1.663 billion	100.0

EU Assistance Flows by Millennium Development Goals (MDG)

EU assistance projects target a number of the Millennium Development Goals (MDG) in Peru. Projects to address Goal 8, "Developing a Global Partnership for Development," took the largest share of resource flows - about \$181M – in 2004, and will account for \$90.7M of projected inflows in 2005.

The European Commission breakdown of assistance flows by MDG for 2004 and 2005 (projected) in USD millions is:

Millennium Development Goal	2004	2005*
Environmental Sustainability	48.74	48.16
Combat HIV/AIDS, malaria	0.67	0.67
Universal Primary Education	2.13	1.48
Develop Global Partnership for Development	180.90	90.73
Eradicate Extreme Poverty and Hunger	56.11	54.83
Improve Maternal Health	1.75	0.26
Promote Gender Equality And Women's Autonomy	12.53	11.99
Reduce Infant Mortality	0.72	0.55
Undefined	38.22	40.42
Total	\$318.1	249.1

*Note: Currency conversions made at the end-2004 rate of \$1.354/euro.

The majority, 61.7 percent, or \$812.9M, of EU assistance outstanding is directed toward projects conducted at the regional level in Peru or toward national projects with a regional focus. National projects account for 29.3 percent, or \$486.7M, of assistance. The remainder is devoted to multinational projects or those of undefined scope.

 Examples of Specific European Projects

Individual EU assistance projects in Peru range greatly in funding amounts and scope. The European Commission is a major assistance provider. The EC's largest program in Peru is a major food assistance program, called the Program for Food Security Aid (PASA in Spanish), providing \$80M million over the 1997-2006 period. Counterparts include the Ministry of Women and Social Development and regional/local governments. The EC also funds a program to assist regional and provincial governments in Ayacucho and Huancavelica (among the poorest areas of Peru), called AGORAH in Spanish. This will provide \$14M from 2004-07 for training, technical assistance and infrastructure projects. The EC

also has a \$13.5M project (from 2005-08) with the Ministry of Justice to improve the functioning of the Peruvian justice system.

The European Commission also supports a \$30.6M program for alternative development in the areas of Pozuzo and Palcazu in Peru's coca-growing zones. Belgium sponsors a program to prevent use of illicit drugs, while Italy funds an alternative development project in the Tambopata-Inambari valley and has offered credit for a multi-sectoral project to fight narcotics.

Assistance to Venezuela

Overall, assistance to Venezuela from Europe has been primarily provided through the EC or the EU Humanitarian Assistance Office (ECHO) and reflects primarily disaster relief. Other assistance is generally focused on human rights, indigenous groups and the environment.

Aid provided by the European Union to Venezuela is governed by the terms of the 2000-2006 country strategy, which gives priority to "prevention plans to mitigate the effects of natural disaster... (and) on helping to diversify the economy." This follows the \$9.5M in emergency aid provided to Venezuela after the flooding in 1999 which ravaged Vargas state. The European Commission's disaster mitigation aid programs include:

-- "Disaster Prevention in Vargas State," which looks to diminish vulnerability to risks by improving dams and canals, monitoring and alert systems, strengthening of institutions engaged in maintaining public works, and working with civil society in the maintenance and care of structural protection works. This is budgeted at \$33.25M from September 2003 to September 2007.

-- "Social Reconstruction in Vargas State," which seeks to improve the level and quality of life in the municipality of Catia La Mar, through environmental clean-up, guaranteeing an environmentally acceptable final disposition of solid wastes, and guaranteeing the municipal capacity to manage related systems. This is budgeted at \$13.3M from September 2003 to September 2007.

-- "Flood Prevention in Falcon, Yaracuy, and Miranda States," which is aimed at improving the management and prevention of natural risks in these areas, which were also affected by the 1999 floods. These include the creation of master

management plans, improvement of institutional capacity, the creation of a local initiatives fund, implementation of an early warning system, achievement of optimal use of soils and agricultural production, and transfer of water treatment technology. This is budgeted at \$26.6M from December 2003 to December 2009.

Other EU assistance includes the "Social Economic Development Plan for the Southern Region of Monagas State," which entails institution strengthening in tax collecting, municipal management and provision of basic services, economic diversification, capacity building for human resources, and the facilitation of the participation of civil society (\$6.6M from November 2002 to November 2006); the "Decentralized Integral Management of Solid Wastes" in Miranda, Barinas, Zulia, and Carabobo states, (\$6.65M from February 2001 to February 2005; and Aid to the Training Plan for Unemployed Youth," which is managed at the national level in conjunction with the GOV's National Training Institute (INCE), (\$10M from November 2002 to April 2006).

The EU is also engaged in a number of thematic projects aimed at gender equality, human rights, drugs, health and the environment, in conjunction with non-governmental organizations. These include the following programs:

- human rights training (\$1.46M from December 2001 to December 2005);
- research and assistance on anti-narcotics (\$2.47M from September 2003 to December 2005);
- women's reproductive health in Lara state (\$718,000, from May 2003 to June 2005);
- integral development of ten indigenous communities in Delta Amacuro state (\$660,000 from July 2004 to July 2006);
- job training and educational services in rural schools run by "Fe and Alegria" (a Catholic educational program for low income families, \$423,000 from May 2003 to May 2005);
- improvement of the Henri Pittier National Park (\$865,000 from September 2002 to September 2006);
- integral development of cacao-growing communities on the Paria peninsula (\$877,000 from March 2002 to February 2005);
- social, environmental and economic rehabilitation of four communities in Miranda state affected by the 1999 flooding (\$830,000 from January 2001- January 2003);
- the Michury Project Fund, aimed at economic diversification and sustainable development of rural agricultural communities in the Andean region (\$1.3M from January 2002 to January 2006); and

-- development of an educational complex in Coro, Falcon state, (\$973,000 from April 2002 to September 2004.

INDIVIDUAL EUROPEAN COUNTRIES

As requested by House Manager's Report 108-599, the following section provides information on programs supported by individual European countries in the Andean region.

Austria

Austria focuses its official development assistance (ODA) projects on certain "priority and cooperation countries." None of the Andean states are included in this category. Consequently, bilateral projects in the Andean region only account for a small fraction (0.4%) of Austria's total ODA, which amounted to \$593.8M in 2003. Thirty-three percent of Austria's ODA goes to EU funds. No statistics are available on the use of specific member states' contributions for EU projects, as all individual country contributions are included in EU statistics. Austrian ODA for the Andean region 2000-2003 was:

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Bolivia	\$259,110	\$663,270	\$396,590	\$293,820
Colombia	\$672,570	\$764,750	\$754,330	\$626,700
Ecuador	\$637,300	\$765,740	\$662,490	\$670,700
Peru	\$664,250	\$725,040	\$725,700	\$637,000
Venezuela	\$152,200	\$85,020	\$98,900	\$150,920

Belgium

According to ACCI, Belgium provided \$2.1M to Colombia in 2003. The OECD describes Belgian assistance in 2003 to the other countries of the region as:

Bolivia	\$14.2M
Ecuador	\$11.8M
Peru	\$7.3M
Venezuela	\$0.5M

OECD figures may, however, include concessionary loans or debt rescheduling in addition to disbursements.

Czech Republic

The Czech Republic programs in the Andean countries are:

Peru, Ecuador, Argentina: Project supporting implantation of veins and arteries, education of experts in the use of Czech technology for selected health equipment.

2000 - \$233,000

2001 - \$236,600

2002 - \$122,175

Bolivia: Establishment of a three-year bachelor's degree program in production management, equipping of workplaces and laboratories, and education of teachers in the machinery sector.

2001 - \$78,864

2002 - \$67,196

2003 - \$103,790

2004 - \$70,311

2005 - \$60,177 (budgeted)

2006 - \$8,929 (budgeted)

Ecuador: Technical help for resolving deforestation of the Andes and undesirable effects thereof, help from Czech experts in the use of Czech technology.

2000 - \$46,644

2001 - \$47,319

Ecuador: Evaluation of the potential of certain raw materials for making concrete blocks for construction uses, including transfer of technology.

2001 - \$31,546

2002 - \$123,244

Peru: Establishment of an extension center in the Amazon basin (Ucayali, Pucallpa) to support use of sustainable technology in agriculture.

2003 - \$59,617

2004 - \$42,374

2005 - \$48,186 (budgeted)

Peru: Evaluation of risks of flooding in the Chiry and Piury rivers and ways to reduce potential damage.

2003 - \$69,501

2004 - \$77,821

2005 - \$88,496 (budgeted)

Peru: Use and protection of underground sources of thermal and mineral waters.

2005 - \$87,920 (budgeted)

Humanitarian Assistance:

1999 - Colombia, Flood Relief, \$23,121

2000 - Venezuela, Flood Relief, \$17,910

2001 - Bolivia, Flood Relief, \$9,629

Peru, Earthquake Relief, \$39,222

Denmark

Denmark channels its development assistance to the Andean region through the UN, the EU, international development banks, and NGOs. Bolivia is a focus country for Denmark's overall development assistance policy and thus also receives bilateral assistance. The following is a country by country breakdown of annual total Danish aid to the Andean region countries from 2000-2004, and is followed by a description of the types of programs in each country:

	2000	2001	2002	2003	2004
Bolivia	\$27.447M	\$36.191M	\$40.572M	\$31.151M	\$25.114M
Colombia	\$0.633M	\$1.584M	\$0.778M	\$0.594M	\$0.219M
Ecuador	\$1.292M	\$0.638M	\$6.750M	\$2.938M	\$0.163M
Peru	\$1.802M	\$2.733M	\$2.631M	\$1.648M	\$0.157M
Venezuela	\$0.133M	\$0.762M	\$0.129M	0	0

Bolivia is a primary recipient of Danish aid due its status as one of 15 selected "program countries" in the world. As such, Denmark provided both multilateral aid and bilateral assistance consisting of direct contributions to domestic NGOs operating in Bolivia. The overall goal of Danish development

assistance to Bolivia from 2000-2004 was to provide support to ongoing political and economic reforms by combating poverty and supporting indigenous peoples. The main areas of focus were: support to productive sectors, governmental decentralization and development of administrative capacities at the local and regional level, strengthening organizations that promote and protect the rights of indigenous peoples, and ensuring environmentally sustainable development.

In terms of specific projects and programs, Danish aid supported programs that assisted individual farmers, small start-up businesses, and developed the agriculture industry in Bolivia's poorest regions. Denmark provided funding for local governmental authorities responsible for implementing Bolivia's domestic poverty programs and supported organizations working towards civil service reform.

Danish aid also funded a program which facilitated the transfer of collectively owned indigenous property to individuals. Funding was also allocated to programs that provided education assistance, job training, and promoted self-governance and political representation among indigenous peoples. Danish assistance supported sustainable development projects dedicated to conservation of the environment, development of eco-tourism, agricultural reform, and protection of natural resources. Additionally, Danish aid was allocated to programs that promoted women in politics, gender equality, and the prevention of sexual abuse of children.

Denmark's limited assistance to Colombia from 2000-2004 provided funding to a program which promoted and protected human rights (Comision Colombia de Juristas), several projects that promoted the rights of indigenous peoples, and a Colombian NGO umbrella organization supporting indigenous peoples and sustainable development in the Colombian Amazon region.

Assistance to Ecuador from 2000-2004 focused primarily on the development and protection of the rights of indigenous peoples. Danish aid was used to support programs that worked to secure intellectual property rights of indigenous peoples, indigenous women's rights, strengthening local and community governments, and support of indigenous councils and regional groups. Additionally, Danish assistance was allocated to projects assisting victims of violence and developing potable water sources.

In Peru, Denmark's assistance focused on the protection and promotion of the rights of indigenous peoples, women's rights, education programs, farming, conservation and protection of the environment.

Denmark's limited assistance to Venezuela consisted of funding programs to support indigenous land rights.

Finland

Regional Programs funded by the Ministry for Foreign Affairs:

- Project for the development of the Peru-Ecuador border region

Profile: reduction of poverty, promotion of gender equality, participatory development and good management.

Duration: 2002-2009

Implementation and local coordination: UNICEF-Peru, UNICEF-Ecuador

Funding: \$6.67M

Aims: strengthening of social and productional development, strengthening of local institutions to facilitate creation of and participation in politics especially concerning the well-being of women and children.

Purpose: promote peaceful development in border region

- Project for bilingual education in the Andean region (Bolivia, Ecuador, Peru)

Profile: Education, reduction of poverty, promotion of gender equality, participatory development and good management

Duration 2005-2008: \$6.14M

Implementation: UNICEF-Peru, UNICEF-Ecuador, UNICEF Bolivia

Aims: Well developed and functioning bilingual education to promote the educational and participation possibilities of indigenous people, to ensure the possibility of receiving an education of high and equal standard that respects indigenous culture.

- Educational project on indigenous rights Bolivia and Ecuador

Profile: Human rights monitoring and education

Duration: 2000-2006

Funding:

2004: \$346,896

2005: \$432,250

Implementation/cooperation: Turku University, KAWSAY (TINKU)

Aim: Educational project to improve the rights and status of indigenous people in Bolivia and Ecuador.

Bilateral Programs funded by the Ministry for Foreign Affairs:

Peru

- Project for creating alternatives to drug cultivation

Profile: To reduce poverty, environmental protection, good governance, participatory development

Duration: 1993-2007

Implementation: DEVIDA (prev. Contradrogas)

Funding: estimated budget (total) \$229M including USAID, UNDCP, Germany, Finland \$791,335 (1993-2005)

\$997,500 (2005-2007) plus technical assistance \$505,400

Aims: to create an alternative economy to coca production through assisting DEVIDA to plan, coordinate and survey the progression of the alternative development program in six regions (forests and mountainous regions usually unsuitable for farming); to create strategy and educate in implementation of it.

- Environmental program Biodamaz

Profile: environmental assistance

Duration: 2003-2007

Location: Amazonas, Peru

Implementation: Peruvian Amazonian Research Institute

Funding: Peru \$193,717, Finland \$2.3M

Aims: Finalization of national biodiversity strategy and development of biodiversity networks; mapping of biodiversity in Peruvian Amazon region as a part of creating a national strategy for the preservation of nature and diversity in Peru; support for sustainable care of Allpahuayo-Mishanan reserve area. Realized in cooperation with Peruvian institutions and universities as well as with local specialists.

Bolivia

- Bilingual education (TANTANAKUY)

Profile: reduction of poverty, promotion of gender equality, participatory development and good management

Duration: 2002-August 2004

Funding: \$1.58M

Aims: Well-developed and functioning bilingual education to promote the educational and participation possibilities of indigenous people, to ensure the possibility of receiving an education of high and equal standard that respects indigenous culture.

Realization: through PROEIB ANDES program

Ecuador

- Project of renewable energy resources for electricity production on the Galapagos islands

Profile: environmental assistance

Duration: 2003-2004

Implementation: UNDP Ecuador

Funding: total \$25.4M, Finland: \$425,600

Aims: to reduce C2O emissions from energy production by replacing fossil fuels (diesel) with solar and wind energy as well as inspection of dangers posed by oil shipping accidents on the fragile ecosystem.

The MFA also funds many Finnish NGO's that implement several projects in the Andean Region. Listed below are some examples of the largest Finnish NGO funded projects (there are other, but on smaller budgets under \$66,500 per year)

Regional

-- Environmental education in the Andean cloud forest region

Finnish co-operation organization: MaaIlman Luonnosaatin Suomen Rahasto

Finland's sum of assistance 2002: \$61,982

Finland's sum of assistance 2000-02: \$223,038

-- Strengthening of congregations to become influential actors in society (Colombia, Ecuador, Brazil, Bolivia)

Profile: strengthening of civil society

Funding 2004: \$124,000

-- Amazonas- the well being and health of the community

(Peru, Colombia, Venezuela, Ecuador)

Organization: Finnish Red Cross

Profile: strengthening of civil society

Funding:

2001-04: \$661,342

2004: \$124,448

Peru

-- Project for developing the countryside in the Casman mountain region

Profile: development of agriculture

Funding:

2004: \$212,800

2000-2004: \$708,049

Aims/ Purpose: Poverty reduction through improving the health and nourishment of the population, especially children, by developing agricultural production.

Realization: developing irrigation and drinking water systems, agriculture and tending of cattle.

Organization: Kirkon ulkomaanapu www.kua.fi

-- Local democracy and participation Ayacucho, Peru

Profile: public administration

Funding:

2004: \$94,355

2002-2004: \$249,238

Aims/purpose: For the poorest of Huantan province to participate in local governance and decision-making

Realization: Educating members of local government in management and leadership skills. Educating children in civil rights and obligations. Promoting female participation and bringing decision-making closer to the people (esp. poor) and increasing citizen awareness.

Organization: Suomen World Vision www.worldvision.fi/

--Student project

Profile: Vocational education

Funding:

2004: \$107,659

1993-2004: \$615.723

Purpose: Supporting impoverished youth in vocational and university education

Organization: Suomen World Vision www.worldvision.fi/

Ecuador

- Literacy and education project, Programa de Alfabetizacion para Ecuador (PAPE)

Finnish co-operation organization: FIDA International

Finland's sum of assistance 2002: \$124,147

Finland's sum of assistance 2003: \$120,121

Finland's sum of assistance 2004: \$79,800

Total 1999-2004: \$459,272

- Human rights project concerning the rights of indigenous peoples

Finnish co-operation organization: Abo akademien ihmisoikeusinstituutti

Duration of project: 2000-2002

Finnish assistance: \$864,500

- Project of services for handicapped people in the river valley of Quijos

Finnish co-operation organization: Suomen Vapaakirkko

Funding:

2003-04: \$287,612

2004: \$122,692

2005: \$128,198

- Right to say no youth education project

Profile: Sex education

Funding:

2003-04: \$532,000

2004: \$266,000

2005: \$266,000

Bolivia

Gift of Life: rearing/parenting educational project

Organization: Plan International

Profile: education

Funding:

2004: \$291,067

2005: \$322,777

2006: \$183,540

Colombia

- Capacity building

Organization: Fida International

Profile: strengthening of civil society

Funding:

2002-04: \$325,704

2004: \$124,381

Funds for local cooperation

Finnish embassies are granted a yearly fund for local cooperation. The funds are projected by the embassy into programs initiated by local communities that support, for example, reduction of poverty, development of human rights and democracy, cultural cooperation, environmental protection and women's and children's rights. In 2004, the Finnish embassies responsible for the Andean region, the Embassy of Finland in Lima, Peru (also accredited to Bolivia), received \$332,500.00, the Embassy of Finland in Caracas, Venezuela (also accredited to Colombia) received \$277,970.00 and the Embassy of Finland in Santiago de Chile, Chile (also accredited to Ecuador) received \$196,488.00 for local cooperation programs.

FRANCE

France contributes just less than one-quarter of all EU development funds that go to the Andean region.

Amount (\$Million)		Recipients
		Bolivia
Years	2000	\$8.28
	2001	\$8.44
	2002	\$33.92
	2003	\$11.6

Bilateral French aid to Bolivia includes a special form of debt cancellation called “Contract for Development and No Debt or C2D,” whereby France reinvests the sums reimbursed by Bolivia in special development projects to reduce poverty. The first such contract for \$10M was signed for the period of 2001-2006 and includes the financing of a hospital in Santa Cruz and direct budget aid to the Bolivian government.

In 2001, French aid financed programs for the modernization of the Bolivian state (justice reform and reinforcement of the State of Law) as well as humanitarian and food aid and medical research. Institutional cooperation has been set up with police, airport security, prisons and the fight against drug trafficking. In 2002, project aid included the construction of an irrigation system and of an energy-saving system for an orphanage in Cochabamba. Aid money has

also financed programs by French NGO “GRET” to finance Biodesa, a biodiversity and sustainable development project.

There is also a technical cooperation program between Nantes and Cochamba, and a micro-financing rural project by the French Institute Research and Applied Methods of Development (IRAM) on the Bolivian Altiplano.

Amount (\$ Million)		Recipients
		Colombia
Years	2000	\$8.91
	2001	\$8.21
	2002	\$12.98
	2003	\$14.79

Aid to Colombia focuses on the following priorities: Training senior civil servants and military, legal cooperation through the Franco-Andean Law Institute and the training of magistrates, as well as training of staff involved in the fight against narco-trafficking. Both countries signed an agreement on fighting crime, terrorism and drug trafficking in 1963. That agreement has been renewed every ten years. More recently, in July 2004, the French government presented to Parliament for approval the agreement between France and Colombia on Internal Security signed in July 2003. The agreement is close to being approved.

Amount (\$ Million)		Recipients
		Ecuador
Years	2000	\$4.88
	2001	\$5.08
	2002	\$6.77
	2003	\$5.32

French aid to Ecuador is directed to scientific research, modernization of the state (police, justice, civil rights, economic statistics), agricultural development and public health. Cultural support is also provided through the financing of lycees and universities and the teaching of French.

Amount (\$ Million)		Recipients
		Peru
Years	2000	\$6.26
	2001	\$3.16
	2002	\$4.85
	2003	\$8.96

A new Franco-Peruvian Commission was set up in January 2005 as part of a framework cooperation agreement between both countries signed in June 2003. This Commission will look into areas of technical, economic, cultural and scientific cooperation between France and Peru. In 2002, French aid focused on food aid and agricultural development projects. France also contributed to the Peruvian government's Social Emergency Program via the creation of a fund canceling the Peruvian debt and reinvesting reimbursements in the financing of sustainable development projects.

Amount (\$ Million)		Recipients
		Venezuela
Years	2000	\$3.45
	2001	\$3.28
	2002	\$5.02
	2003	\$6.39

Information on French programs in Venezuela is not available.

GERMANY

Germany provides about 23 percent of the overall EU assistance budget. Assistance programs described below refer to bilateral German contributions to a given project, although some projects also receive money from other donors:

Bolivia:

- a. Technical Assistance for Criminal Law Reform, \$6.65M from 2001 - 2005
- b. "Ombudswoman" Democratization Project, \$1.33M from 2002 - 2005.

Colombia:

- a. Urban renewal, Bogota, \$17.3M beginning 2001
- b. Logging as alternative livelihood, Rio Magdalena, \$26.6M beginning 2001
- c. Local governance technical assistance program, \$10.6M, 2002-2006
- d. Training for judicial personnel, \$6.4M, 2004-2008
- e. Conflict resolution training for youth, \$10.5M from 2004 - 2008
- f. Training in sustainable agriculture for rural population, \$5.7M from 2003-2006.

Ecuador:

- a. Forest enhancement in Chongon-Colonche, \$10.1M, 1998-2008
- b. Tropical forest protection in Gran Sumaco, \$10.1M, 2002-2007
- c. Tropical forest protection in Morona Pastaza, \$4.8M, 2004-2008
- d. Sustainable water use in Tungurahua, \$6.65M, 2005-2008
- e. Renewable energy in the Galapagos, \$10.3M, beginning in 2001
- f. Drinking water and sewage infrastructure improvement, southern Ecuador, \$9.4M, 1999-2004
- g. Development of local infrastructure in medium-sized cities, \$17.3M. 2003-2007
- h. Urban development in Babahoyo, \$30.8M, 1991-2003
- i. Funds for feasibility studies and technical advice (includes various funds reserved to carry out studies in preparation for larger projects), \$3.6M
- j. Sustainable management of natural resources for 200,000 poor farming families, \$15.5M, 2004-2013
- k. Modernization and decentralization of local governance infrastructure, \$10.7M, 2003-2013.

Peru:

- a. Rural Development Cajamarca, \$5.8M. beginning in 1997
- b. Community Development and Organization Building for Alternative Development, \$1.33M. beginning in 2002
- c. Criminal Law Reform Project, \$2M, beginning in 2003
- d. "Defensoria del Pueblo," \$1.33M, beginning in 2000

Venezuela:

Germany has no bilateral development projects in Venezuela.

GREECE

Between 2000-2004, Greece allocated \$476,000 to Greek NGOs and Andean Community NGOs for humanitarian assistance as well as programs in education, social services, and counternarcotics. Of this total, \$426,000 was disbursed to Peru for counternarcotics programs. \$50,000 was allotted to Colombia and Venezuela for social welfare programs, the strengthening of civil society and emergency response training in coping with natural disasters, such as earthquakes.

IRELAND

Development Cooperation Ireland (DCI) is the development agency within the Department of Foreign Affairs. Since 2000, the Irish Government, via DCI, has provided funding in the Andean region through four primary programs:

- I. Human Rights and Democratization (HRD)
- II. NGO Co-Financing Schemes
- III. HIV/AIDS Partnership Scheme (HAPS)
- IV. Humanitarian Emergency and Recovery Assistance

I. Human Rights and Democratization Funding in the Andean Region since 2000

Colombia

Children in Crossfire - Promoting Democratic Culture and Human Rights

In 2004, DCI allocated \$172,735 for the first year of a two-year project. The aim of the project is to train the marginalized population in the skills necessary to demand and secure their rights in the area of social security, housing, employment, education and health. The implementing partner is the Social Pastoral Department of the Archdiocese of Ibaguè, in Tolima, Colombia.

Save the Children UK - Defending the civil, political and cultural rights of children affected by conflict.

In May 2004, DCI granted \$106,656 to this program which aims to increase the capacity of civil society and the Colombian state to meet the education, training and protection needs of children and young people and to guarantee their rights to

education and protection as well as the rights of their families affected by armed conflict, particularly in the internally displaced areas specified in the project.

War on Want - Assisting the development of democratic processes within poor communities through promotion of human rights

In August 2004, DCI granted \$48,934 to this program. The aim of the project is to ensure that whole communities in the Cauca region of Southwest Colombia are aware of their rights and are able to resist displacement.

Peru

Instituto Bartolomé De las Casas - Leaders for Local Democracy

Funding in 2004 for this project amounted to \$89,000. Its focus is on establishing the capacity of local leaders in the areas of human rights and political ethics in order to contribute to the capacity of civil society at local level in the context of decentralization.

Peru Solidarity Forum – Citizen Watch of Local Management

In 2004, DCI approved this three-year program and funded \$172,900 in its first year. This project seeks to empower citizens to build up the democratic structures of Peruvian society. The general objective is to strengthen the capacity of citizens in 13 poor areas so that by 2006 they are efficiently able to exercise their right to participate in local development and in monitoring public management. Total funding will reach \$518,700.

Tearfund UK – Democratization and Reconciliation in Peru

This is a three-year project that received funding of \$160,356 in its first year. This project aims to contribute to human development, democratization and construction of a culture of peace in indigenous communities affected by the armed conflict in Peru. Total funding will reach \$418,000.

Previous programming by year, country, NGO (through which DCI money was channeled), project and amount (in Euros at 1 Euro/\$1.33):

Year	Country	Non-Governmental Organization	Project	Amount funded
2000	Colombia	Trocáire	Mobile Training Unit on Human Rights	\$122,426
	Colombia	Trocáire	Conflict Resolution for 5 Barrios(Medellín)	\$25,331
	Colombia	Concern Universal	Education for Peace	\$64,955
	Peru	Coordinadora Nacional de Derechos Humanos	National Campaign Against Torture	\$59,317
	Peru	Christian Aid	PROANDE Democratization Programme - Ayacuho	\$89,542
	Peru	Trocáire	National Training Research & Promotion Programme for Justices of the Peace	\$102,915
	Peru	United Nations Volunteers	Support to the Ombudsman's Office	\$84,490
2001	Colombia	Concern Universal	Education for Peace	\$68,788
	Colombia	Trocáire	Conflict Resolution for 5 Barrios(Medellín)	\$26,478
	Colombia	Concern Universal	Promotion and Protection of Child Rights	\$126,654
2002	Colombia	Christian Aid	Human Rights Promotion Project	\$126,387
	Colombia	Trocáire	Programme for Peace and Co-existence	\$76,976
	Colombia	Trocáire	Building a Culture of Peace, Human Rights & Reconciliation	\$56,223
	Colombia	Concern Universal	Promotion and Protection of Child Rights	\$132,233
	Peru	Peru Solidarity Forum	Citizen Watch Project	\$104,027
2003	Colombia	Helpage International	Older People, Human Rights & Democratic Participation	\$97,435
	Peru	Peru Solidarity Forum	Citizen Watch Project	\$109,993
	Peru	Instituto Bartolomé De las Casas	Leaders for Local Democracy	\$89,032

Total HRD Funding for Andean Region since 2000:

2000 - \$542,959	2001 - \$221,922	2002 - \$495,847	2003 - \$296,462	2004 - \$750,616
---------------------	---------------------	---------------------	---------------------	---------------------

II. NGO Co-Financing Schemes

Funding to Bolivia and Ecuador 2000-2005

The NGO Co-Financing Scheme with Irish-based and Irish-linked NGOs provides grants for small to medium-sized projects, which meet basic needs in the sectors of health, education, water/sanitation, rural development, and community development. The following amounts were disbursed on projects in the following countries:

Year	Country	Non-Governmental Organization	Project	Amount funded
2002	Bolivia	Divine Word Missionaries	Basic education	\$126,121
2002	Bolivia	Irish Quaker Faith in Action	Primary health care	\$39,900
2000	Ecuador	Aidlink	Rural development	\$56,689
2002	Ecuador	Presentation Sisters Generalate	Urban development	\$112,677

Colombia 2000-2005

The Multi-Annual Programme Scheme (MAPS) aims to facilitate a more strategic and pragmatic relationship between DCI and key NGO partners through predictable DCI financial support, over a three-year period, for an agreed program of development activity. The scheme has been in operation since 2003 and operates for a three-year period. In 2003, DCI allocated \$905,329 to Colombia under MAPS through the Irish aid agencies Christian Aid Ireland and Trócaire. This funding was for use in projects supporting civil society strengthening in the case of Christian Aid and for programs in the sectors of livelihood security, civil society and peace building for Trócaire. In 2004, MAPS funding of \$1.475M was allocated by these agencies towards supporting projects in these same areas. 2005 figures are not yet available.

The Block Grant arrangements, which DCI has with a number of the larger Irish-based NGOs, provide annual funding for NGOs with a more established relationship with DCI so that they can move away from isolated projects towards a more consistent, coherent approach through a thematic, sectoral or geographical focus. Under this scheme, Trócaire supported projects in Colombia as part of their Block Grant arrangements for the years 2001 – \$518,813 and 2002 - \$404,367. This funding was used towards rural/community development and education/training projects. Trócaire moved from the Block Grant Scheme to

multi-annual funding in 2003. The following NGO Co-Financing Scheme amounts were disbursed on projects in Colombia:

Year	Country	Non-Governmental Organization	Project	Amount funded
2000	Colombia	Aidlink	Integrated community development project	\$65,172
2001	Colombia	Afri	Basic education	\$6,755
2002	Colombia	Aidlink	Primary health care	\$85,392

Peru 2000-2005

In 2003, \$109,975 was allocated to Peru under MAPS through the Irish aid agency Trócaire. This funding was for use in projects supporting human rights. In 2004, MAPS funding of \$188,346 was allocated by Trócaire towards supporting projects in this same area. 2005 figures are not yet available.

In 2002, Christian Aid funded \$27,495 for water and sanitation projects in Peru as part of their Block Grant arrangements. Trócaire included Peru in their 2002 Block Grant arrangement with DCI. Block grant funding of \$31,944 was used by Trócaire for rural development projects in Peru. Both Christian Aid and Trócaire moved from the Block Grant Scheme to multi-annual funding in 2003. The following NGO Co-Financing Scheme amounts were disbursed on projects in Peru:

Year	Country	Non-Governmental Organization	Project	Amount funded
2000	Peru	Missionary Society of St Columban	Basic education	\$88,736
2000	Peru	Missionary Society of St Columban	Urban development	\$48,143
2000	Peru	Presentation Brothers	Training	\$84,437
2000	Peru	War on Want NI	Training	\$84,437
2001	Peru	Diocese of Cork and Ross	Training	\$80,543
2001	Peru	Missionary Society of St Columban	Training	\$65,017
2001	Peru	Missionary Society of St Columban	Water and sanitation	\$46,899
2002	Peru	Diocese of Cork and Ross	Income generation	\$46,550
2004	Peru	Christian Blind Mission	Primary health care	\$93,100

III. HIV/AIDS Partnership Scheme (HAPS)

DCI funded \$25,270 in 2003 and \$25,270 in 2004 to the HIV/AIDS Partnership Scheme (HAPS). Under the HAPS allocations, Christian Aid (with their partner IEME Spanish Institute of Foreign Missions) helped develop participatory workshops for training youth in HIV, health care and advocacy, continued awareness raising, training and research in Peru.

Colombia

In 2004, four programs were supported with personnel co-funding, in the amount of \$60,661. The agencies supported were Concern Universal and the Sisters of the Sacred Hearts of Jesus and Mary. The work assisted occurred in education sector. Another program supported a Health Advisor for a health education program with Specialist Service Overseas (SSO). SSO funding was \$5,454. Total funding in 2004 was \$66,115.

In 2003, five programs were supported with personnel co-funding. The agencies supported were Concern Universal and the Sisters of the Sacred Hearts of Jesus and Mary. The work assisted occurred in the education and health sectors. Project co-funding covered the purchase of a house in support of a women's support program. Total funding in 2003 was \$104,804.

During 2002, two programs were supported with personnel co-funding. The agency supported was Concern Universal. The work assisted occurred in the education sector. Total funding in 2002 was \$37,549.

In 2001, four programs were supported with personnel co-funding. The work assisted occurred in the education, health and administration sectors. Total funding in 2001 was \$74,757.

During 2000 six programs were supported with personnel co-funding. The work assisted occurred in health, administration and education sectors. Total of co-funding was \$67,492.

IV. Humanitarian Emergency and Recovery Assistance

Colombia

Funding of \$266,000 was provided to World Vision Ireland for humanitarian assistance to Internally Displaced Person's during 2001. The aim of the project was to reduce hunger and disease among 700 families (approximately 4000 people) and their host communities in the municipality of Barranquilla. Assistance included the provision of food, hygiene supplies and shelter. Eight community members received training in disaster mitigation and emergency response.

ITALY

Aid to the Andean Region is described in the Italian Ministry of Foreign Affairs 2003 Annual Report to Parliament on Development Cooperation.

Bolivia

Direct and Multilateral

- UNICEF Proandes (Andean Program of Basic Services Against Poverty), \$2.06M
- Rehabilitation of Toledo-Ancaravi road, \$24.38M (credits and donations)
- Restructuring of Daniel Bracamonte Hospital and expansion of health unit in Potosi, \$6.25M

Via NGOs

- Rural development in Potosi region, \$944,778
- Support to herders for sustainable use of llamas, \$990,876
- Agriculture development, soil rehabilitation, and irrigation, \$1.11M
- Improvements to livestock, soil and forest conservation in Bolivar province and north Potosi area, \$366,199
- Reforestation, cattle herding, and environmental education in Bolivian Andes, \$784,652
- Socio-health project in the Yungas valley near La Paz, \$618,198
- Health project in the Potosi region, \$1.1M
- Program for responsible tourism development in Potosi-Salar de Uyuni, \$952,690

- Education program for the promotion of local products, \$1.09M

Colombia

Direct and Multilateral

- UNHCR: Response to Global Appeal for Assistance to Colombian refugees in neighboring countries, \$1.33M

Via NGOs

- School for Democratic Entrepreneurs, \$1.05M
- Program for the care and integration of child prostitutes in Cartagena, \$1.08M
- Socio-Economic support for a community of internally displaced persons in the province of Antioquia, \$972,218
- Foundation of a specialized school of Latin American development cooperation at the University of San Buenaventura, Cartagena, \$1.4M
- PROLANGUNAS: Recuperation and protection of coastal lagoon ecosystems in La Guajira province, \$1.1M

Ecuador

Direct and Multilateral Projects

- UNDP: Environmental protection and sustainable development of Galapagos Islands, \$2.8M

Via NGOs

- Support for Ceramic Institute of Cuenca, \$1.1M
- FILERAS: support for organization of small farmers and herders, \$1.1M
- Development of agro-forestry industry in Shushufindi, Sucumbios, \$538,562
- Social and professional development for marginalized populations of Esmeraldas, \$864,150
- Agro-ecological management of farms in Los Rios province, \$850,469

- Program to support and improve childhood education services and occupational integration of the disabled, \$802,309

Peru

Direct and Multilateral

- Technical assistance for debt conversion, \$2.2M
- UNDP: Preservation of aboriginal culture, \$1.2M

Via NGOs

- Community development of marginalized urban populations in Lima, \$721,213
- Support for anti-child-prostitution campaign in Lima, \$807,779
- Creation of Andean-region network of maternity/child health centers, \$1.04M
- Project to support and communicate social and economic rights of Amazon peoples, \$980,261
- Community development for indigenous peoples of the Peruvian Amazon, including popular participation and racial equality, \$554,764
- Project for women's rights promotion in high Andean provinces of Melgar and Puno, \$623,241
- Project to support agriculture, zoo-technical, agro-industrial and craft professions in Zurite district of Anta, Cuzco, \$416,220
- Support for micro, small, and medium enterprises in Cono, north of Lima, \$1.1M
- Reinforcement of democratic institutions and human rights in San Marin province, \$629,945
- Promotion and sustainable use of biodiversity in native communities of Peruvian Amazon, \$750,609

Venezuela

Via NGOs

- Support for reactivation and enlivening of coca sector in Barlovento region, \$1.01M

LUXEMBOURG

Luxembourg provides bilateral development aid to Ecuador and Peru for basic education, basic health and agricultural development programs. For the period 2000-2003 these programs totaled:

	2000	2001	2002	2003	2004
Ecuador	0	\$1.45M	\$2.5M	\$2.7M	\$14,175
Peru	0	\$730,889	\$49,535	\$567,504	N/A

	2000	2001	2002	2003	2004
Agricultural development	0	\$1.46	\$49,535	\$1.135M	N/A
Basic health	0	\$718,747	\$2.5M	\$1.6M	N/A
Basic education	0	0	0	\$579,414	\$14,175
Total	0	\$2.18M	\$2.5M	\$3.3M	N/A

THE NETHERLANDS

Dutch official development assistance (ODA) is focused on 36 partner countries in which the Government of the Netherlands (GON) funds substantial bilateral aid programs. Bolivia and Colombia are the only two such partner countries in the Andean region. The Dutch are phasing out their bilateral programs with Ecuador and Peru. In addition to its bilateral programs in partner countries, the Netherlands provides significant development assistance via NGOs, which conduct programs independently in both partner and non-partner countries. For example, even though they are not partner countries, the Dutch will provide approximately \$53M via NGOs over the next five years to Ecuador and Peru. In addition, some Dutch ODA flows into the region via IFIs and the UN. The Dutch development bank provides concessional loans for Andean region countries.

GON ODA programs in the region (both bilateral and via NGOs) do not include counter-narcotics elements (i.e. eradication and alternative development projects). However, Dutch ODA does fund good governance programs, which include strengthening local government, the judiciary and respect for human rights.

The following figures represent actual Dutch bilateral assistance. Assistance amounts for the year 2000 were not available due to difficulty extracting the annual data. The Dutch do not have a bilateral program with Venezuela. (Figures are in millions of U.S. dollars.)

	2001	2002	2003	2004
Bolivia Total	\$17.85	\$25.49	\$22.52	\$24.27
Education	\$6.22	\$11.32	\$10.50	\$13.27
Rural Develop.	\$5.03	\$4.61	\$2.84	\$3.80
Environment	\$4.69	\$5.80	\$3.59	\$3.14
Good Governance	\$1.90	\$3.76	\$5.59	\$4.06
Colombia Total	\$7.78	\$8.39	\$9.10	\$15.56
Environment	\$6.44	\$7.17	\$7.32	\$11.50
Good Governance	\$1.34	\$1.22	\$2.38	\$4.06
Ecuador Total	\$9.26	\$7.01	\$4.19	\$4.93
Environment	\$9.26	\$7.01	\$4.19	\$4.93
Peru Total	\$8.20	\$8.62	\$6.29	\$6.06
Environment	\$8.20	\$8.62	\$6.29	\$6.06

In Bolivia, Dutch bilateral programs focus on improving the education system, rural infrastructure development and natural resource management, including a growing emphasis on potable water. The Netherlands also funds programs encouraging transparent and responsive governance.

Colombian programs focus on the environment and good governance. The governance program focuses on municipal and national judicial anti-corruption programs. Elements of the program also are directed at reinforcing human rights protections and include support for Cartagena Conference objectives.

The Netherlands is phasing out assistance to Ecuador and Peru. Previously, bilateral Dutch ODA in these two countries was focused on the environment and natural resource management. After 2005, there will be no bilateral assistance program. As noted above, however, Dutch assistance via NGOs will continue in Ecuador and Peru at a rate of roughly \$10.6M per country per year for the next five years.

NORWAY

The Ministry of Foreign Affairs and other Norwegian groups appropriated in 2004:

Colombia: \$5,939,990

Peru: \$112,959

Venezuela: \$114,028

For 2005, the Ministry will contribute around the same amount as 2004. The Norwegian system does not pre-allocate any aid/contributions, but directs aid/contributions based on need. The Norwegian Agency for Development Cooperation, which is a Directorate within the Ministry of Foreign Affairs, does not designate any Andean countries as "Partner Countries." This, in turn, equates to minimal or no aid to the region through this agency. Ongoing projects in the Andean region include the following:

Receiver	Type of Project	Amount in \$
COLOMBIA		
Diverse/Multiple Groups	Repayment of unused grants	\$121,926
Diverse/Multiple Groups	Repayment of unused grants	\$115,076
Diverse/Multiple Groups	Repayment of unused grants	\$8,774
Diverse/Multiple Groups	Repayment of unused grants	\$5,234
Refugee Council	NRC. Colombia	\$79,511
Refugee Council	Secondment OCHA Colombia	\$83,115
Peace Brigades Intl	Human Rights Projects	\$131,148
Refugee Council	Intl Conference Marking the Cartagena Declaration	\$196,721
Caritas Norge (Norwegian Group)	Peacebuilding activities	\$258,197
Norway's Red Cross	Caqueta/Florencia Health Brigades	\$327,869
Norway's Red Cross	Uraba. Health Team	\$334,328
Latin American Human Rights Association (ALDHU)	Colombia-Ecuador Border Project	\$360,656
Refugee Council	Humanitarian Aid to Refugees	\$626,820
Refugee Council	Humanitarian Aid to Refugees in Colombia	\$645,096
UN High Comm for Refugees	COL/UNHCR Global Appeal	\$819,672
Norway's Red Cross	Emergency Assistance Colombia	\$1,147,541
UN General Trust Fund	UN Colombia Trust Fund	\$229,508
UN High Comm for Human Rights	OHCHR Colombia	\$377,049
Institution Latino Americano/ILSA	Planeta Paz Civil Society Actors	\$573,770
TOTAL		\$5,939,990
PERU		
Commission de Derechos Humanos	Fulfillment of the Truth Comm Recommendation	\$112,959
VENEZUELA		
Norwegian Center for Human Rights	Election Observers	\$19,836
Real Embajada Noruega Caracas	HR Training Program for Venezuelan Judges	\$32,787
Groensund, Stein-Ove	Media Monitoring in Venezuela	\$61,405
TOTAL		\$114,028

PORTUGAL

The Portuguese Institute for Development Support (IPAD) programs in Andean Region for the period 2001-2002 were:

	2001	2002
Ecuador:	\$222,769	-
Peru:	\$72,298	\$89,719
Venezuela:	\$46,278	\$152,352

Bolivia received no aid money from Portugal during this period, but the Portuguese government is providing \$66,500 for each of three years -- 2003, 2004, and 2005 -- to the GOB's Counternarcotics Board (CONALTO) for demand reduction activities. This agreement was signed May 8, 2002 and is implemented through the Ministry of Health and the Portuguese Narcotics Institute (IPDT).

SPAIN

The Andean countries have been priorities for Spanish aid over several years. These countries will continue to receive aid under the new assistance plan for 2005-2008, with the exception of Venezuela, which will not be a recipient of official development assistance (ODA) from Spain. Spain is the second largest donor in Colombia, after the United States. The Spanish government has stated that the primary reason for this continuing level of assistance is to support peace and development in Colombia.

Spanish Agency for International Development (AECI) figures for Spanish assistance in Andean countries from 2000-2003 are below. AECI has not yet compiled assistance numbers for 2004 or developed individual country aid plans for 2005.

The totals include both reimbursable credits and non-reimbursable assistance for each country by year. Negative numbers indicate years where receipts from previously granted credits outweighed new assistance.

Bolivia

2000	\$32,580,049
2001	\$45,530,813
2002	\$43,634,878
2003	\$61,029,986

Colombia

2000	\$-2,317,234
2001	\$35,561,308
2002	\$57,911,639
2003	\$17,019,797

Ecuador

2000	\$16,157,265
2001	\$25,570,529
2002	\$89,933,222
2003	\$29,146,485

Peru

2000	\$26,927,375
2001	\$40,714,078
2002	\$47,382,536
2003	\$52,591,768

Venezuela

2000	\$40,913,444
2001	\$17,070,285
2002	\$41,160,696
2003	\$42,303,997

SWEDEN

Ministry of Foreign Affairs and Swedish International Development Cooperation Agency (SIDA) note that Sweden's resources for development cooperation in South America are relatively modest, and therefore assistance is focused on certain key strategic areas. These areas include human rights organizations and programs designed to strengthen democratic administration, social sectors, infrastructure, trade and urban development, as well as usage of natural resources and cultivation. Bolivia is the main recipient of Swedish aid.

Details of Swedish bilateral aid (in USD 1,000) are:

	2000	2001	2002	2003	2004
Bolivia	\$25,103	\$30,539	\$23,320	\$25,570	\$30,781
Colombia	\$5,385	\$9,358	\$9,711	\$10,181	\$15,083
Ecuador	\$1,240	\$594	\$849	\$1,237	\$1,323
Peru	\$4,927	\$4,082	\$5,595	\$4,362	\$4,865
Venezuela	\$1,758	\$153	\$153	\$32	\$4
Total	\$32,852	\$44,727	\$36,628	\$43,383	\$52,090

Bolivia is the largest recipient of Swedish aid. The main objective of Sweden's bilateral aid to Bolivia is to help Bolivia successfully implement an independent poverty reduction policy. Swedish aid to Bolivia is concentrated in the areas of democratic governance and human rights, social sectors, infrastructure, business and urban development, research cooperation and economic reforms. Other issues such as gender equality, inclusion of indigenous peoples and sustainable use of natural resources are also important. Sweden also cooperates in Bolivia through the UN and World Bank.

Sweden's assistance to Colombia promotes a broad-based peace process aimed at addressing the causes of conflict and building lasting peace. Areas of focus include: peace-building, conflict management, democratic governance, human rights, gender equality, internal refugees and alternatives to drug crops.

Sweden's assistance to Peru prioritizes democratic development and reconciliation. Sweden's assistance also focuses on increasing transparency and combating corruption, as well as strengthening and promoting popular participation in political decision-making.

Sweden gives only limited bilateral aid to Ecuador and Venezuela.

SWITZERLAND

Switzerland maintains active assistance relationships with Bolivia, Colombia, Ecuador and Peru. There is no assistance relationship with Venezuela. Of these partner nations, Bolivia and Peru are the largest recipient of Swiss assistance, with about \$22M and \$19M respectively in development and humanitarian aid planned for 2005. On a lesser scale, Swiss aid to Ecuador in 2004 was over \$9M, primarily development assistance, while \$7 million in

assistance for Colombia was focused half on humanitarian aid, and a quarter each for environmental and civil society assistance.

The following information is taken from the Swiss Development and Cooperation (SDC) Agency's website, www.deza.admin.ch. The acronym 'SECO' stands for the Secretariat of Economic Affairs.

Bolivia

Bolivia is a priority country for Swiss development cooperation. Switzerland has been active in this country since 1969. The SDC and SECO support complementary programs in Bolivia with the SDC concentrating on the highlands and adjoining valleys mainly in rural areas.

The Swiss government's commitment to Bolivia:

	2003 (million \$)	2004 (million \$)	2005 (million \$) - planned -
SDC bilateral aid	15.4	14.7	15.8
Humanitarian aid and disaster relief	0.2	0.2	0.5
Secretariat for Economic Affairs (SECO)	3.0	4.6	5.7
Others (grants, etc.)	0.4	0.3	0.4
Total public development aid	19.0	19.8	22.4

Development Cooperation Bolivia: Priorities

In the context of the Bolivian poverty reduction strategy, Swiss development cooperation is focused on improving the chances of the poor to find work and generate income and on strengthening their participation in the process of developing a political voice. Switzerland contributes towards achieving the first of the eight Millennium Development Goals, poverty reduction (MDG 1). In addition, it also promotes gender equality (MDG 3) and ensures a sustainable natural environment (MDG 7). It concentrates on the following two activities:

- Promoting poverty related economic growth to create employment and income particularly in rural areas. Based on local potentials and involving poor rural communities, chains of asset creation are promoted and strengthened. These chains work on the local, national and international market levels, taking into account ecological concerns. An asset creation chain comprises all economic stages from exploitation of raw materials to production, processing and marketing to consumer sales.
- Promoting good governance and democratization from the bottom up through institutional development of municipalities, respect for human rights, promoting players and processes active in alternative methods of conflict resolution at local, regional and national levels.

Colombia

Colombia does not appear on the list of SDC priority countries, but the agency's Humanitarian Aid Department has financed a program in the country since 2001. The program aims to ease the suffering of the displaced segments of the population and other victims of the internal conflict. The UNHCR estimates that since 1985, between two and 2.5 million people have become so-called internally displaced persons, or IDPs, seeking safety in other parts of the country.

	2003 (million \$)	2004 (million \$)	2005 (million \$) - planned -
Humanitarian assistance	3.5	3.1	3.5
NGO sector	1.9	2.0	2.2
Environmental development	1.6	1.7	1.7
SDC total	7.0	6.8	7.4

Humanitarian Aid: Colombia Priorities

The SDC's Humanitarian Aid Department has strengthened its involvement on behalf of the IDPs in view of the extent of the humanitarian crisis in Colombia. The annual budget was doubled in 2001 and today comes to more than CHF 4 million. To improve program management and to encourage synergies with the Swiss embassy in the peace process as well as with Political Affairs Division IV in the area of strengthening civil society (three-track approach) a humanitarian

coordinator was sent to the Swiss embassy in Bogotá with the purpose of systematically monitoring the crisis and enabling efficient and effective support for local and international initiatives in humanitarian assistance.

SDC humanitarian aid also promotes projects in rural areas and towns with the aim of stopping the migration caused by the conflict and the related increase in poverty in city centers. The resulting stronger international presence in and near the areas of conflict offers the people greater security and protection. The focus is on four fields of action: emergency assistance, rehabilitation, conflict prevention and advocacy.

Emergency assistance is provided through contributions to the ICRC, the UNHCR, the World Food Program (WFP) and NGOs. Networking on the national and international levels is being expanded to strengthen coordination between the donors and implementing partners. In the area of rehabilitation, besides material support, psycho-social care is given to displaced persons and other victims of the conflict. SDC humanitarian aid supports local NGOs active in this field. Conflict prevention involves support for schools, community and health centers to strengthen civil society and stop migration. Activities in advocacy give increased attention to the situation of refugees. Refugee organizations are strengthened and the subject of impunity tackled.

Although all projects are implemented through national or international NGOs, care is taken that all activities take place with the agreement or cooperation of the state authorities. There are particularly close contacts with the national authorities responsible for family welfare (Instituto del Bienestar Familiar, ICBF). On the local level, reliable partners are mainly the school authorities.

Ecuador

Switzerland, which has been involved in Ecuador for the past 35 years (1969), focuses its assistance on the central and southern parts of the Andean region. It aims mainly at the reduction of poverty and social inequalities. Its five-year program (2003-2007) has three themes: decentralization and local development, sustainable management of natural resources and promotion of employment and income. The program's focus is on improving the well-being of the poor as well as strengthening the capacities of the country's public and private institutions and associations to respond to the numerous challenges in Ecuador. Examples include the process of decentralization of the administration, reviving the economy, reforming the judicial system, strengthening the efficiency of health

and education services, managing any destabilizing effects from the violence in Colombia and fighting corruption.

The Swiss government's commitment to Ecuador

	2002 (million\$)	2003 (million\$)	2004 (million\$)	2005 planned (million\$)
Bilateral SDC projects including contributions to programmes of Swiss development aid organizations	8.8	8.8	8.8	10.8
Humanitarian aid and disaster relief	0.2	0.1	0.05	0.5
SECO			0.05	0.05
Total public development aid	9.0	8.9	8.9	11.35

Development Cooperation: Ecuador Priorities

The program in Ecuador has three priority areas:

- Promotion of small businesses: creating revenues and employment through access to the market, increasing productivity and encouraging competition.
- Sustainable management of natural resources: promoting the sustainable, socially fair and profitable usage of natural resources.
- Decentralization and local development: supporting local initiatives, which aim at democratic participation and balanced economic and social development.

In addition to these activities:

- Humanitarian aid focuses its activities on preventing natural disasters and establishing a rapid intervention mechanism in case of major catastrophes.
- The empowerment of the people and the development of the institutional capacities of its partners are at the center of the SDC strategy in Ecuador.

- The Swiss-Ecuadorian counterpart fund (FOES), which successfully established innovative projects at a cost of around SFr. 10 million in 10 years, stopped its activities in 2003. An NGO bringing together the competencies of the former FOES has been set up and is offering its expertise in the development cooperation sector.

Peru

The SDC commitment in Peru goes back 40 years, making it the oldest priority country for Swiss development cooperation in Latin America. Today Swiss development cooperation in Peru encompasses the activities of the SDC and the State Secretariat for Economic Affairs, SECO. The SDC concentrates its assistance on the three poorest regions in the country's mountain area, Cajamarca, Cusco and Apurimac. By strengthening the marginalized segments of the population in these regions, Switzerland aims to contribute to the reduction of social and economic inequalities. Although the macroeconomic situation in Peru looks relatively favorable, half the population lives in poverty. Central to SDC activities are measures promoting good governance and sustainable economic growth, services favoring local development and humanitarian aid.

The Swiss government's commitment to Peru:

	2003 (million\$)	2004 (million\$)	2005 (million\$) - planned
SDC bilateral cooperation	9.9	8.5	8.1
Contributions to programs of Swiss aid organizations	1.0	1.0	1.0
Humanitarian aid and disaster relief	1.7	2.5	3.0
Other (environment)	1.4	1.9	2.9
SECO	1.3	2.8	4.1
Total public development aid	15.3	16.7	19.1

Development Cooperation: Peru Priorities

SDC activities focus mainly on three regions: Cajamarca; Cusco; and Apurimac. In Lima and medium-sized cities, the SDC is working to promote the development of small business and vocational training.

The SDC is active in the following spheres:

- Promotion of sustainable economic growth to create employment and income through such measures as business consulting, vocational training, education and continuing education for tradesmen; promotion and strengthening of asset creation chains including poor rural producers whose eyes are on international as well as local and national markets while also taking ecological concerns into consideration; support for environment-friendly production and better access for SMEs to credit through the availability of risk capital. These activities also include support measures by the State Secretariat for Economic Affairs, seco, which in the mid-1990s made Peru a priority country.
- Good governance: support for measures in favor of decentralization and the rule of law through the institutional development of municipalities and the participation of citizens, promotion of democratization and the protection of citizens' rights.
- Services favoring local development in the spheres of:
 - drinking water and municipal hygiene: the provision of drinking water for small communities, counseling services for waste and sewage disposal
 - agriculture and environmental protection: support for environmentally-sound and market-oriented agriculture among small landowners
 - humanitarian aid: food aid and measures to prevent flooding and landslides (construction of dikes, barriers).

Humanitarian Aid: Peru Priorities

Humanitarian need in Peru is a result of socio-economic factors, limited natural resources and the flight from the land. This country in the Andes mountains also suffers from the after effects of the conflict with guerrilla groups and the domestic unrest that led to the flight of President Fujimori in 2001. In addition,

Peru has been the victim of regular natural disasters such as floods and earthquakes. The latest major earthquake occurred in Cusco in 2003. In recent years, the economy has improved slightly and social indicators such as child and maternal mortality also show a positive trend. However, four years of recession have taken their toll and the proportion of the people living in poverty has climbed to nearly 55% in spite of social assistance programs. A new study shows that children under the age of five continue to be the most widely affected by chronic undernourishment.

The SDC's Humanitarian Aid Department and the Swiss Humanitarian Aid Unit (HA/SHA) are concentrating their activities on the following:

- Substantial contribution to food assistance programs: Switzerland supports the food programs of the WFP, NGOs and church organizations primarily by providing milk products. Caritas Switzerland coordinates the church projects. The recipients are mainly school children and needy groups.

Prevention and preparedness in natural disasters: The focus of Swiss humanitarian assistance activities is on the preparedness and prevention aspects of natural disasters even though in recent years it has been involved in various emergency actions to ease the suffering of the victims of such events as cold waves or earthquakes. The HA gives special attention to institutional cooperation, the establishment and strengthening of local abilities, raising awareness about the problem of prevention and best practices. Since January 2004, a SHA specialist has been working with SDC Cooperation Offices in Lima, Quito and La Paz in implementing regional actions.

UNITED KINGDOM

Colombia: Development Assistance

UK Department for International Development (DFID) assistance to Colombia takes five forms:

- Share of multilateral expenditure (e.g. EC and UN) – The UK's share of all indirect concessional support to Colombia, through multilateral organizations totaled \$9.8M in 2001.
- Latin America Regional Programs – the UK regional program seeks to eliminate poverty and inequality, working primarily to improve the effectiveness of the World Bank (WB) and Inter-American Development

Bank (IDB), from which Colombia could benefit. DFID no longer has a bilateral program in Colombia. It has recently approved support to the Poverty Reduction Strategy process with IDB.

- Central DFID support for British NGOs - Colombia benefits from the Civil Society Challenge Fund and Partnership Program Agreements (PPAs) with International NGOs. Colombia will also be able to benefit from an extra \$13.1M DFID is providing for Latin America and Caribbean through the Partnership Program Agreement from 2005/06.
- Support through the Global Conflict Pool.
- Humanitarian assistance provided through the Conflict and Humanitarian Affairs Department (CHAD). DFID is currently waiting for the launch of the next Humanitarian Action Plan for Colombia.

Regional program for Latin America

DFID's overall goal for assistance to Latin America is to enhance the impact of international community support for poverty reduction and achievement of the Millennium Development Goals in the region. In 2004-07 it will be working particularly closely with the two largest donors: Inter American Development Bank (IDB) and World Bank, helping them to better enable poor people to shape, participate and benefit from access to markets and international trade and more transparent and accountable public sector management and political systems. DFID will support improved donor harmonization so that the international community is more united in its support of national poverty reduction strategies. The program will also focus on two global policy issues with strong resonance in the region: the development of trade policies that are sensitive to poverty, inequality and the environment; and the dissemination across Latin America of research and good practice on HIV/AIDS prevention. The framework and approach of the program is set out in DFID's Regional Assistance Plan for 2004-07. The DFID office in La Paz will become an Andean sub-regional office and will oversee any support to Colombia provided through the regional program.

Support to the Colombian Poverty Reduction Strategy

DFID recently approved \$377,600 over two years to support the National Planning Department in the production of a Poverty and Inequality Reduction

Strategy (ERPD) in Colombia with the IDB. This will include a grant to IDB for \$292,640 and technical support. The IDB grant includes support for: design of a monitoring and evaluation mechanism, work on social inclusion and access to justice, studies on micro finance and rural poverty, legal advice, dissemination and publication costs, plus running costs for the Commission's advisory board.

Non-Governmental Organizations

DFID currently has one Civil Society Challenge Fund project in Colombia. It supports War on Want in the promotion of workers and human rights in Southwest Colombia. The UK has committed \$403,937 over the period December 2003 to March 2007. The purpose is to increase trade union and social organizations' capacity to defend the human and workers' rights of their constituencies.

DFID has also approved an additional \$13.2M a year from 2005 onwards for six international NGOs working in Latin America and the Caribbean. Of the six selected, CAFOD, Christian Aid, Oxfam and WWF are active in Colombia and will benefit from these additional funds.

Humanitarian support

The UN has not published a Humanitarian Action Plan for Colombia, nor was Colombia included in its global 2005 Humanitarian Appeal launched in February 2005. Without a UN Appeal or Humanitarian Action Plan for Colombia, it is not possible for DFID to channel funds to the UN.

DEPARTMENT OF STATE EFFORTS TO SEEK ADDITIONAL SUPPORT

Department of State initiatives to encourage additional donor support range from senior level demarches to working level approaches in Washington, European capitols, and with the EC. Our Embassies and USAID Missions in the Andean countries maintain a dialogue with their European colleagues. Discussions of this subject extend to multilateral forums, such as the three donor conferences for Colombia sponsored by the IDB, the July 2003 London Conference and the February 2005 Cartagena Conference.

Support for Colombia and the Andean countries was also sought in direct talks with the EU in Brussels and at the Major Donors Meeting of the UN Office

on Drugs and Crime (UNDOC), as well as through the Dublin Group, the mini-Dublin Group and the Inter-American Drug Abuse Commission (CICAD) of the Organization of American States.

During her trip to Europe in late 2004, Under Secretary Dobriansky discussed EU support with Eneko Landaburo, Director General for External Relations, and urged obligation of pledges for humanitarian and alternative development. U.S. concerns were also raised at the EU's General Affairs and External Relations Council (GAERC) meeting December 13, 2004 and with individual country members.

Below is an illustrative list of recent consultations.

January 2004	Dublin Group (Brussels)
February 5, 2004	Demarche to EU in advance of Colombian President Uribe's visit to Brussels (Brussels)
September 28, 2004	U.S.-EU COLAT (Washington DC)
October 2004	U.S.-EU Drugs Troika (Brussels)
October 13, 2004	State Department discussions with European Commission (Brussels, Washington DC)
December 4, 2004	Demarche to EU in advance of December 13/14 GAERC (Brussels)
January 13/14, 2005	U.S.-EU Informal JHA Meeting (Luxembourg)
January 25, 2005	Demarche to G-24 Members in advance of Cartagena Conference (Brussels, G-25 capitals)
February 2005	Dublin Group (Brussels)
February 2, 2005	U.S.-EU Meeting (Cartagena, Colombia)

February 3, 2005	International Coordination and Cooperation Conference (Cartagena, Colombia)
February 16, 2005	Demarche to EU, Norway and Switzerland on their assistance to Andean Region (Brussels, EU-25 capitals, Oslo, Bern)
March 14, 2005	U.S.-EU COLAT and meetings with Commission (Brussels)

The need for increased assistance was most recently raised with European and EU Foreign Ministries and development agencies in conjunction with seeking information for this report, as noted on February 16, 2005.

Our Embassies in the Andean countries routinely discusses assistance programs with their EU counter-parts.

While the Europeans do not provide the level of direct counter-narcotics assistance that the United States does to the Andean countries' military and police forces, European assistance supports programs for alternative development, justice sector reform, human rights, humanitarian assistance and good governance. The United States and Europe share similar goals for these programs.

As described above, Department of State initiatives to encourage additional donor support range from senior level demarches to continual working level approaches in Washington, European capitols and at international conferences. As a result, cooperation between the United States and Europe for mutually shared goals is increasingly successful.